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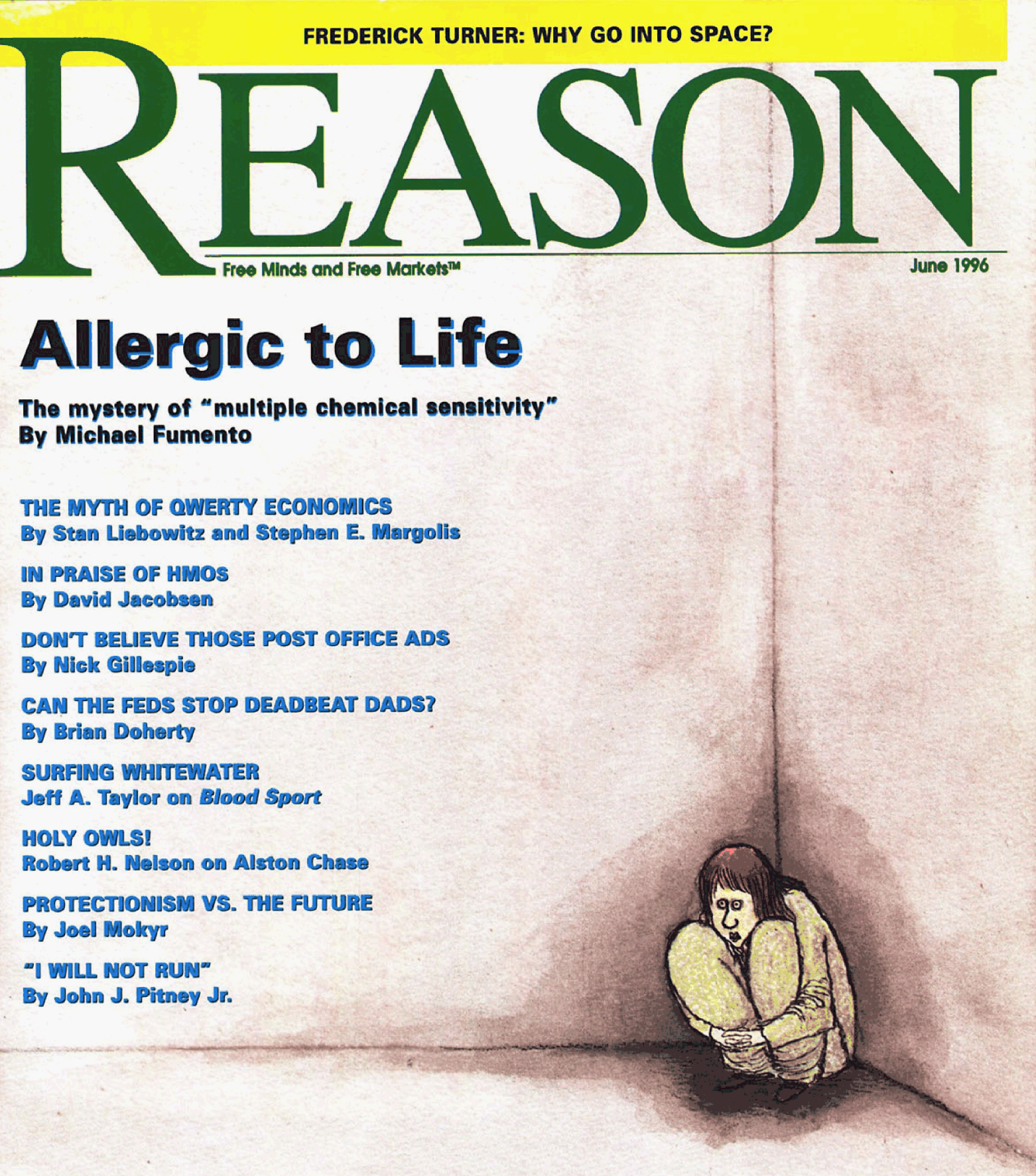

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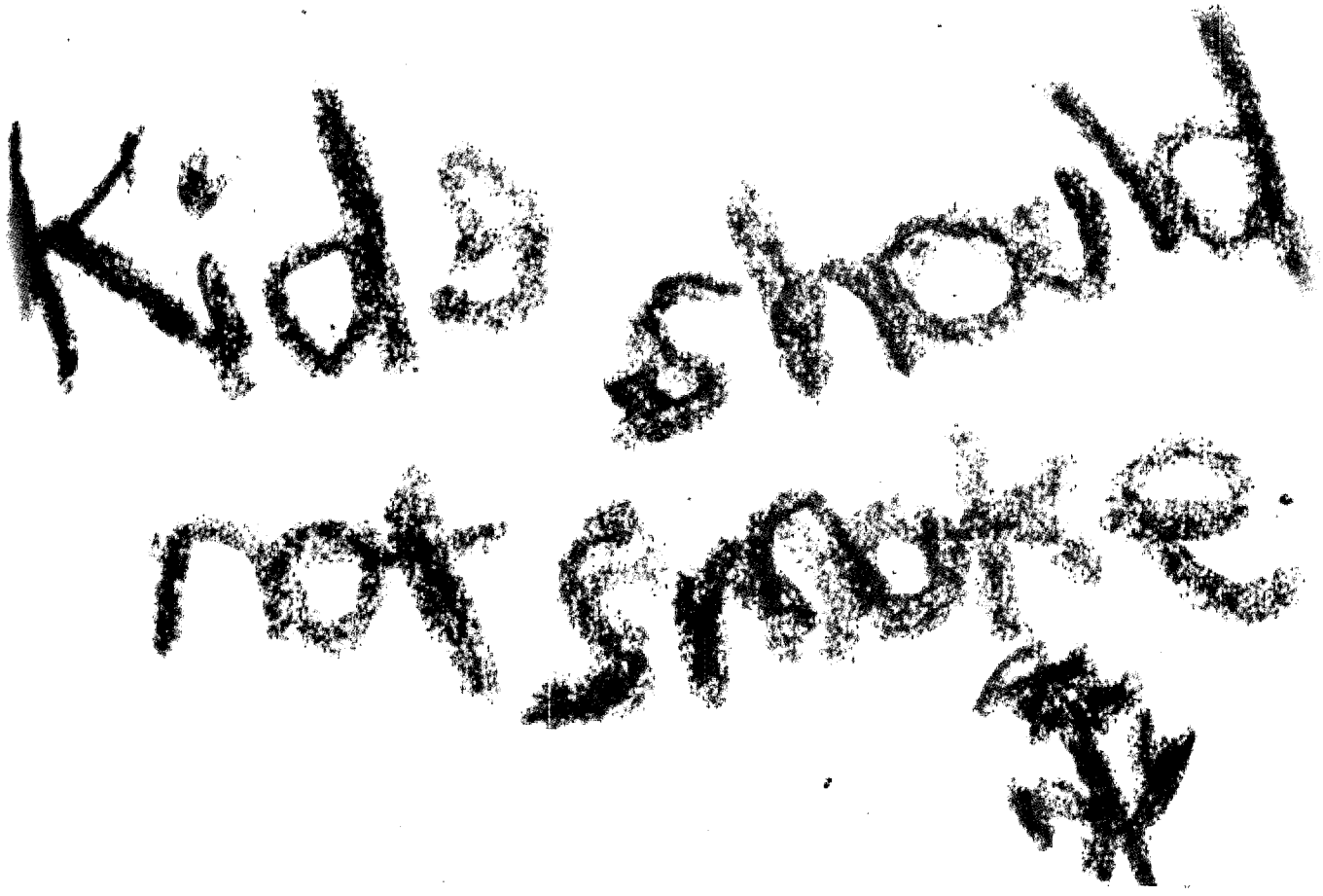

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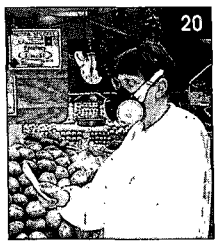

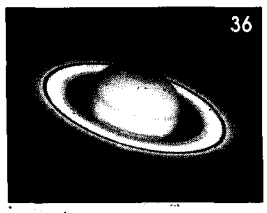

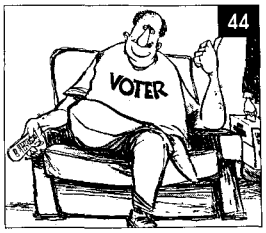

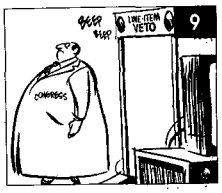

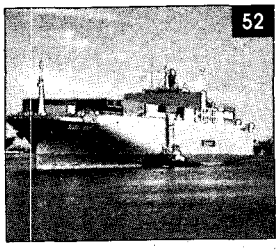

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Cover illustration: Chip Bok

Reason (ISSN 0048-6906) is published monthly except combined August/September issue by the Reason Foundation, a nonprofit, tax-exempt organization, 3415 S. Sepulveda Blvd., Suite 400, Los Angeles, CA 90034-6064. Second class postage paid at Los Angeles, CA, and additional mailing offices. **POSTMASTER:** Send address changes to Reason, P.O. Box 526, Mt. Morris, IL 61054.

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Legacies

By Virginia I. Postrel

One day's obituaries reveal the blind spots of the opinion establishment.

On the day of the California primary, an all-but-meaningless election with record-low turnout, two famous men died, both in their early 80s. One was Edmund Muskie, former senator, briefly secretary of state, and the candidate wistful Democrats like to imagine might have been their 1972 nominee if not for a dirty trick and tears in the snow. (They forget, conveniently, that McGovernites had engineered the delegate-selection rules.) Muskie's obituary took 82 column inches in *The Washington Post*, 84 in *The New York Times*.

The other man—eulogized in a mere 28 inches by the *Post* (eight devoted to his two years as deputy secretary of defense), 40 by the *Times*—was David Packard. On the day he died, the only American politician who could rival him in real-world importance was Ronald Reagan. But the papers didn't see it that way.

Packard was co-founder of Hewlett-Packard, one of the most influential companies in the history of American business. The Palo Alto garage where he and Bill Hewlett started is a state landmark, designated "the birthplace of Silicon Valley." HP has created billions of dollars in wealth, tens of thousands of jobs, and hundreds and hundreds of innovative products. (Stashed in a closet of my house is one of the first-ever financial calculators, a miraculous HP product my father bought for several hundred dollars in the early '70s.) Yet even all these accomplishments don't begin to account for the company's broader importance, which lies in the management model it created, the famous "HP Way."

In the age of hierarchical Organization Men, HP pioneered a style of management based on granting employees broad discretion—"empowerment" is the current buzzword—and deemphasizing rank and privilege, most famously by giving everyone from the chairman on down a doorless office. HP trusted its employees with unlocked supply cabinets and with decisions. It fostered a sense of community and promoted from within, but, unlike many large employers, it held no grudges against HPers who left to start their own companies or to work elsewhere. Among the spinoffs were Apple, Silicon Graphics, and Tandem.

In 1991 the founders returned to active management, saving the company from death by bureaucracy. The turnaround started with a letter from an HPer to Packard, then chairman, complaining that she was spending all her time in meetings instead of productive work. It was an extraordinary demonstration of HP's open-door policy that the letter was not only written but read and acted upon.

"Profit-sharing, flex-time, management by walking around, sales force automation, global customer service systems, new employee health programs, reduced workweeks instead of layoffs—H-P has always been there first," says technology writer (and former HPer) Michael S. Malone in a *San Jose Mercury News* article on Packard. "As such, it has always taken the risks for which the rest of us have eventually enjoyed the benefits."

Packard was the model of what the opinion establishment says CEOs should be: philanthropic, unpretentious, concerned about employees, public spirited, politically moderate. His obits were certainly positive. Yet the nation's leading newspapers—and the establishment culture they shape and reflect—judged David Packard less than half as important as a senator notable mostly for his might-have-been presidential bid. It is, they suggested, the Ed Muskies of the world who determine the future, not the Dave Packards.

We're all used to thinking in those terms. Asked to name the five most significant events of 1968, few educated people would think to include the founding of Intel. Such milestones take place out of camera sight. We tend to think of them as unimportant, or nonexistent. We assume that what matters is what makes the evening news.

It is worth pondering such assumptions, and the world view they create, especially in light of recent rhetoric toward business. For the first time since the 1970s, *corporate* is becoming a pejorative word outside narrow left-wing circles. From Pat Buchanan to the editors of *Newsweek* to the secretary of labor, important people with loud voices are denouncing the management of the nation's companies—and suggesting that politicians and intellectuals could do a much better job. They are preaching "loyalty" and decrying CEOs as ruthless job killers. Extolling the security of old-time monopolies, they mock anyone who dares point out the thousands of jobs added in recent years by such upstarts as Federal Express (6,000 in 1995 alone) and MCI. They roll their eyes at Silicon Valley.

Above all, they suggest that good change comes from above—from wise men in Washington and Cambridge—and only bad change from below. There is, they imply, One Best Way to be an employer, or an employee. The world is divided into good and evil, "A-Corps" (Sen. Jeff Bingaman's term) and meanies. And companies will never realize how well they could do by doing good unless somebody gives them a subsidy or tax break. Nobody will ever invent an HP Way un-

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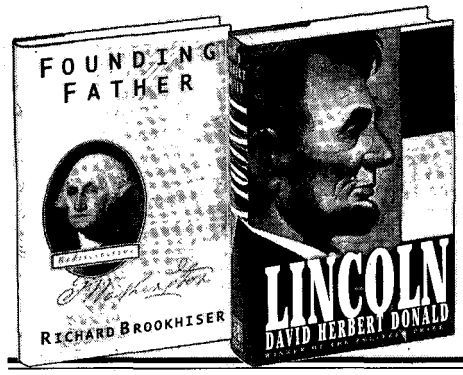

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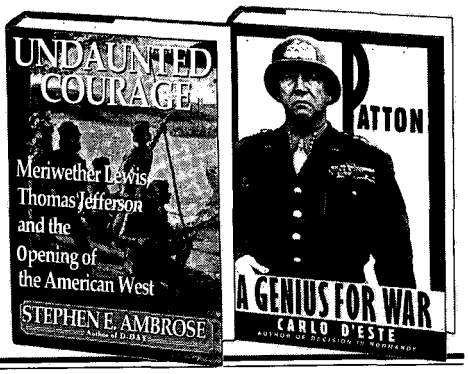

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http://www.reasonmag.com/reason

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1001 Pennsylvania Ave., NW, Suite 200 South
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Advertising Sales
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Circulation Service
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Mt. Morris, IL 61054
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less Robert Reich hands them the instruction book.

This argument, if it even deserves the term, ignores history. It is intellectually dishonest, pretending that loyalty is an unalloyed good destroyed by greedy, overpaid executives. In fact, loyalty as a corporate value has been under attack since the mid-1950s—for good reason.

IN THE 1950S AND '60S, SOCIAL CRITICS attacked the regimentation and blandness of corporate life, with its demands that managers sacrifice their individuality, autonomy, family life, and community ties. The Organization Man, William Whyte wrote in his 1956 book of that name, "must not only accept control, he must accept it as if he liked it. He must smile when he is transferred to a place or a job that isn't the job or place he happens to want....He must be less 'goal-centered,' more 'employee-centered.' It is not enough now that he work hard; he must be a damn good fellow to boot."

Whyte observed that younger managers—managers who would today be in their 60s—were particularly prone to embrace loyalty to a single organization as the center of their professional ethic. By closing their career options outside the company, they became dependent on it.

Whyte wrote: "When I asked a group of [older, senior] executives whether they thought that in the years ahead they should make a point of keeping their eyes open for opportunities elsewhere, two thirds stated, emphatically, that they should. I asked the same question of younger men. Only one third thought the executive should keep his eyes open; the consensus was to the effect that such behavior was characteristic of the What-Makes-Sammy-Run type, and that companies would be better off without such people." Lest anyone be tempted to bolt the organization, companies made fringe benefits, including pensions, non-transferable.

This is the world we are losing, to the consternation of today's social critics. Henry Allen, writing in *The Washington Post*, laments a study of corporate employees: "Half the people surveyed said success at work was personal satisfaction from doing a good job. Less than a third said it was 'earning the respect or recognition of supervisors and/or peers.'" Once upon a time, we would have considered that a healthy sign that more people were "inner-directed," more concerned with the substance of their work and less with what other people thought of them.

Silicon Valley has been the vanguard of that new culture, which Rutgers labor professor Charles Heckscher calls "the professional ethic," as opposed to "the loyalist ethic" of the old Organization Man. The new ethic—in which managers are motivated by the mission at hand rather than lifetime loyalty to a company—accounts for Silicon Valley's resilience. The local culture fosters adaptability based on personal mobility and constant corporate invention. Annalee Saxenian, whose book *Regional Advantage* analyzes the differences between Silicon Valley and Massachusetts's Route 128, quotes a high-tech manager who moved West: "The mobility among people strikes me as radically different than the world I came from out East. There is far more mobility and there is far less real risk in people's careers. When someone is fired or leaves on the East Coast, it's a real trauma in their lives. If they are fired or leave here it doesn't mean very much. They just go off and do something else."

This is the culture David Packard, along with many others, created—a culture whose evolution took place far away from news cameras and presidential candidates. It responded to the demands not only of customers and stockholders but of employees who wanted to be treated as adults. Increasingly, it is the culture from which all businesses, and employees, must learn. It is worth understanding, and honoring. And it is far more important than anything Edmund Muskie left behind. ®

Virginia Postrel's Wall Street Journal *review of Charles Heckscher's book* White-Collar Blues *is available on* REASON's *World Wide Web site under "op-eds" (http://www.reasonmag.com/reason).*

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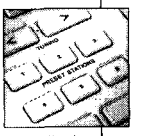

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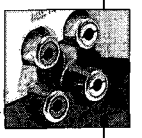

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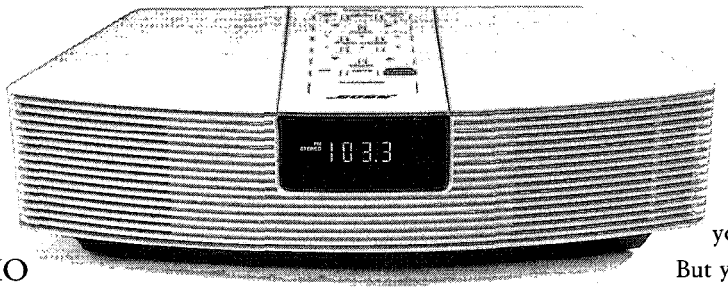

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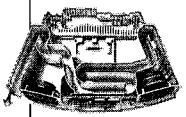

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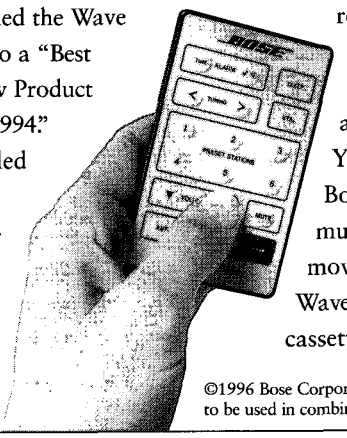

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Wagers of Sin

By Nick Gillespie

Dealing with the anti-gambling backlash

IT IS COMMON THESE DAYS TO CHATTER about smaller government and individual responsibility, but we are actually living in increasingly prohibitionary times. Choices properly decided by private individuals are instead being limited or abolished through restrictive public policy. Hence, the V-Chip, government-mandated ratings of television programs, and attempts to regulate information flow on the Internet; federal- and state-level attempts to regulate cigarettes as "nicotine-delivery devices"; and a reinvigorated War on Drugs, which finally has a bona fide general in command.

The latest target of prohibitionists is legalized gambling, which has enjoyed a decade or so of rapid growth. Ten years ago, only Nevada and New Jersey boasted casinos. Nowadays, there are two dozen states with casinos, including betting houses run by 126 different American Indian tribes. Thirty-seven states run lotteries and some have either allowed or are considering slot machines at existing gambling sites such as horse- and dog-racing tracks. Last year, Americans spent more than $40 billion on legalized gambling, up from about $10 billion in 1982.

The anti-gambling backlash is here, there, and everywhere. Over the past two years, the National Coalition Against Legalized Gambling has stymied casino and slot-machine plans in 23 states. The backlash is worth pausing over not only because it threatens yet another personal liberty but because it also allows insight into the prohibitionist mindset.

Prohibitionists are in the difficult position of telling people that certain choices are so misguided that they simply can no longer be allowed. But since the targeted behavior is usually highly popular and widespread, prohibitionists must redefine it as an unconditional evil that cannot be resisted, even by men and women of character. Ironically, in the name of morality, prohibitionists must strip individuals of the right to make moral decisions.

This is certainly the case with gambling, where opponents traffic in metaphors of invasion and addiction that define bettors as passive victims. The Rev. Tom Grey, the Methodist minister who heads the NCALG, describes himself as "a man committed to all-out war" against the "predator" gambling industry. The middle Americans who fill the casinos, you see, don't *really* want to spin the wheel, throw the dice, or take the chance. Pat Buchanan rails that "gambling should return to the swamp whence it came," ignoring the fact that 125 million Americans willingly choose to go to casinos every year.

THE CHRISTIAN COALITION'S RALPH Reed pronounces gambling a "cancer on the body politic, destroying families, stealing food from the mouths of children, turning wives into widows." Betting as rapacious disease? That would have been news to the folks I used to ride with on infrequent trips to Atlantic City during the '80s. We gambled because it's fun to do, every once in a while. Forty or 50 people—college kids, vacationers, retirees—would pile in a bus in midtown Manhattan and ride a couple of hours to play slots and cheap blackjack. When it came time to leave, no one, to my knowledge, ever had to be pried away from the roulette table or the slot machines.

Indeed, the social scientific literature, including studies done for the Swedish, British, and U.S. governments, tends to characterize gamblers as virtually indistinguishable from non-gamblers—except that gamblers are more sociable, more involved in community activities, and bigger opera, theater, and museum buffs. While it is true relatively poorer people spend more proportionally on wagers and bets, the overwhelming majority of gamblers responsibly budget their expenditures and use their winnings for "home-centered items."

The profile of gamblers as normal people, however, is unlikely to work its way into many stories about anti-gambling activism. Rather, the media showcase the dark side of gambling. A recent *Time* story, for instance, recounts the fate of a 40-year-old school teacher and mother of two who shot herself in the head after racking up huge gambling debts. "The day she died," writes *Time*, "sheriff's deputies were on their way to her home with an eviction order....[H]er husband...knew nothing of their financial problems, although she had pawned their wedding rings and skipped making the house payments for 17 months."

Such a story is, of course, undeniably tragic—and undeniably rare. *Time* itself mentions in passing that Harvard University's Center for Addiction Studies estimates that "between 3.5 percent and 5 percent of all adults exposed to gaming can be expected to develop into pathological gamblers." Other estimates are lower still.

Horror stories, however bleak, should not guide public policy. "Gambling," note Reuven and Gabrielle A. Brenner in their 1990 history *Gambling and Speculation*, "is a mass phenomenon, and its study must not be confused with that of a pathological minority of compulsive gamblers, just as the examination of a few workaholics, alcoholics, obese people, womanizers, addicted TV watchers, and addicted exercisers is irrelevant for a social judgment on the behavior of the billions who work, drink, eat, love and/or have sex, watch TV or enjoy exercising with customary frequency."

For prohibitionists, of course, the self-regulation evinced by better than 95 percent of gamblers is a logical impossibility or, perhaps, a logical improbability. The world confounds prohibitionists, as do people who believe they should decide how to live their own lives. ®

Rules Rule

By Brian Doherty

Hurray for procedural reform

THE RECENT PASSAGE OF THE LINE-item veto may seem to be the least of the achievements of the disappointing 104th Congress. By itself it cuts no spending, reins in no regulation, ends no unnecessary program. All it does is change some rules. What good is that?

Back in November 1994, supercentrist Norman Ornstein of the American Enterprise Institute questioned the value of such reforms. In a *Newsday* op-ed, he attacked all of the Contract With America's procedural reforms—the line-item veto, term limits, and a balanced budget amendment—as part of a "campaign of Congress-bashing...to undermine further the basic legitimacy of the institution, making governing in the next two years more difficult." To the joy of Ornstein and others who see no benefit in enforced restraint on legislatures, the latter two reforms died ignominiously. Only the line-item veto survived.

Ornstein went on to complain, "Fear of crime in the streets, unhappiness with the educational system, unease about health care and uncertainty caused by dislocations of the global economy will not be reduced one iota by term limits, a line-item veto and a balanced budget amendment."

It stands to reason that someone who is blithely confident that an unshackled federal Congress could authoritatively solve those myriad crises would be leery of any attempt to restrain lawmakers from striding forward manfully and doing so. All three of the Contract's major procedural reform proposals would limit Congress's ability to exercise its will. Of course, that's exactly the point.

"The task of the lawgiver," wrote the political philosopher F.A. Hayek, "is not to set up a particular order but merely to create conditions in which an orderly arrangement can establish and ever renew itself." Our current system of runaway spending is not such a stable order.

Yet contemporary lawmaking seems to require willful ignorance of the law of unintended consequences. As a result, many lawmakers, and their pundit-boosters, can't imagine the possible indirect benefits of rule changes. They can't picture how such rules would help our political order "ever renew itself."

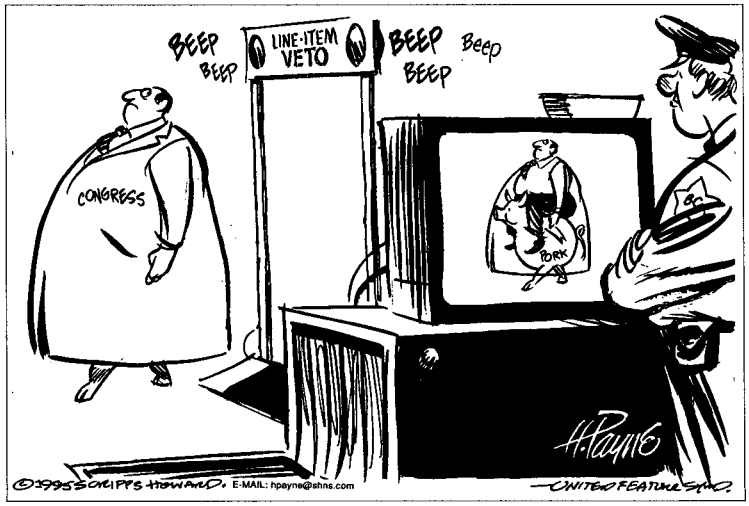
Experienced congressmen have to quit? We can't spend more than revenue projections? The president has a theoretical power to cut items from bills? So what, they argue. Congress could pass a balanced budget tomorrow if it really wanted to. People can vote their representatives out of office if they really want to. (Interestingly, the one reform that obviously can't happen on its own, the line-item veto, is the only one to pass.)

That same failure of imagination makes it hard to see the existing unintended systematic barriers that make it hard to just balance the budget or throw the bums out. But those barriers do exist, and only a rule change can surmount them.

And even on a direct level, procedural reforms can have obvious effects. A study in the *Atlantic Economic Journal*, analyzing data from fiscal year 1991, shows that a line-item veto seems to allow governors to balance budgets more easily. The study found average deficit percentages to be more than twice as large in states without line-item veto power than in states with it—and that's only for states with deficits. Only one state without a line-item veto had no deficit that year. The states' experience suggests that reform might help halt the constant piling-on of debt.

HAYEK'S WORK IN POLITICAL PHILOSOPHY has another lesson for both partisans and opponents of procedural changes. Procedural reforms can do a lot—but we can never be entirely sure *what* they will do. We can reason out the advantages of not having legislators rooted in Washington for decades, or of not permitting them to spend wildly regardless of revenue. But all we can know for sure is that the results of such reforms will end up surprising everyone.

Still, opposition to procedural rule reform often springs from a general misunderstanding of proper government powers. Those who think the government can and should do most anything it wants—and that seems to include many Republicans as well as Democrats—are bound to reject rule changes that stop lawmakers from doing things they used to do with abandon, from staying in office forever to larding bills with irrelevant pork. Kudos to the Republican class of the 104th Congress for even bringing up such rule changes, and for squeezing through at least one of them. Next time, let's try three-for-three. ℞



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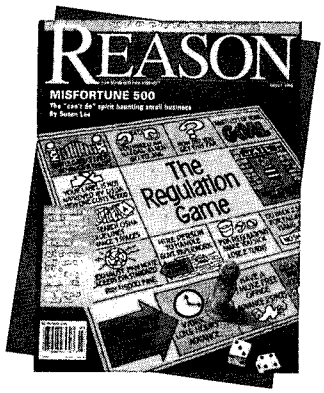

Gun Fights

Daniel D. Polsby's article "Second Reading" (March) on the Second Amendment does an excellent job of summarizing the scholarly literature on the right to keep and bear arms. It is unfortunate that the academic writing in this area has received so little attention from courts and the popular press, essentially the only place where the discredited "collective right" approach still holds sway.

What is ironic is that gun control proponents who ignore or dismiss the Second Amendment's individual right to arms have actually made their own task more difficult. My state, Tennessee, passed a background check law more stringent than the Brady Bill with little fanfare some years ago, in no small part because the Tennessee state constitution has been interpreted to protect an individual right to keep and bear arms.

If the Supreme Court were to interpret the Second Amendment the same way, gun owners would have less reason to fear creeping confiscation, and sensible gun control laws—those aimed at disarming criminals, not ordinary citizens—would pass much more easily.

Glenn Harlan Reynolds
Associate Professor of Law
University of Tennessee College of Law
Knoxville, TN

Daniel Polsby's insightful article aptly demonstrates the consequences of the Second Amendment's seeming irrelevance in the debates over gun control. Because the Supreme Court avoids the amendment completely, no one else wants to think seriously about it either. Polsby is right on the money when he notes that "one of the by-products of the political polarization concerning the Second Amendment is that all sides seemingly agree [that what might constitute an abridgement of the right to bear arms] is a question that need never be seriously addressed." On the evening news of March 21, we saw Reps. Patrick Kennedy (D-R.I.) and Gerald Solomon (R-N.Y.) go out of their way to prove Polsby's point.

The two had an extraordinary exchange in the House debate over whether to repeal the assault-rifle ban. Kennedy came to the floor shaking with anger and attacked the Republicans: "Families like mine all across this country know all too well what the damage of weapons can do....Shame on you!....There are families out there you'll never know—Mr. Chairman, you'll never know what it's like because you don't have someone in your family killed."

Solomon then responded in kind, literally shouting: "My wife lives alone five days a week in a rural area in upstate New York. She has the right to defend herself when I'm not there, son! And don't you ever forget it."

The exchange—where Kennedy was referring to literally any weapon and Solomon conjured up the image of his wife watching Letterman with an AK-47 by her side—was surreal. Kennedy's implicit assumption is the dominant one—that any ban on guns is constitutional because the Second Amendment means nothing. Solomon seems to believe the opposite: Any ban on guns is unconstitutional because the Second Amendment is absolute. Both are wrong.

There was a similarly sterile First Amendment debate 35 years ago over (supposed) internal security regulations, but it was wisely broken by three common sense observations: What is in the Constitution matters. Freedom of speech can't be absolute, but is a protected right. Therefore its dimensions should be ascertained and it should force a would-be abridging legislature to have a good reason to override the right.

Polsby is correct in wishing a similar future for the Second Amendment whereby each side would eschew its absolutism and recognize that there is a right to own guns, but under some circumstances the government may limit the ownership of certain types of weapons. Then the debate could eschew cheap shots and properly focus on how substantial the need for the legislation is and whether it shows any promise of meeting its articulated objectives.

L.A. Powe Jr.
Professor of Law and Government
University of Texas
Austin, TX

A student of mine insisted on doing a Second Amendment paper a few years ago, and at the time I viewed it as roughly the equivalent of writing on whether Congress could issue paper money—an issue resolved immediately after the Civil War. Until then I had taken for granted what is a conventional wisdom, that the Second Amendment is about militias, not personal ownership of firearms; any other view was simply National Rifle Association propaganda long since rejected, for good reasons, by the courts.

In the last five years or so, I have become acquainted with the textual and historical literature relating to the Second Amendment. Polsby's treatment summarizes a record that is indisputable. The Americans understood their English rights to include a personal right to have firearms, and they were deeply committed to

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a militia system that presupposed universal gun ownership. Given my own review of this history, the saddest comment of all is that modern liberal constitutional law scholars have lent the authority of their presumed expertise to the anti-gun movement by claiming that the history shows that the amendment intended only a right for states to have militias with which to counter federal power. I don't know which is the most disturbing in such claims by people who could so easily know better: the infidelity to the original meaning of the Constitution or the lack of commitment to canons of objectivity about historical and textual scholarship.

Former Chief Justice Burger suggested that the personal right to arms is a constitutional myth perpetrated by the gun lobby, but the real myth is the one perpetrated by the nation's legal elites. It is difficult to celebrate the bicentennial of the Bill of Rights, as we so recently have done, while we pick from among its guarantees the ones we will take seriously and the ones we will simply discard. This is the larger issue at stake in the Second Amendment debate.

Thomas B. McAffee
Professor of Law
Southern Illinois University
School of Law
Carbondale, IL

Polsby's superb article removes any rational basis for doubting that the Second Amendment recognizes an individual right to keep and bear arms. Virtually every scholar of the Second Amendment agrees with Polsby on this point.

The morally important background question is what the right to keep and bear arms has to do with liberty and responsibility. Many American libertarians tend to see the right to keep and bear arms as an instance of the general right to liberty, on all fours with the right to purchase other potentially dangerous items such as cars, lawnmowers, alcohol, and high-cholesterol food. Others link the right more closely to the personal responsibility each person has to look after his or her own physical security. Fewer link the right with politics, as an essential rejection of a political absolutism which makes the monopoly over legitimate force the sine qua non for statehood.

The latter view is fiercest. It makes private arms possession symbolic of political liberty itself. It makes arms possession substantially more than a mere liberty, like a dietary choice or a take-it-or-leave-it attitude toward cars. On the contrary, keeping and bearing arms becomes a duty.

Presumably, all libertarians can feel comfortable wearing a T-shirt emblazoned with "Free Minds and Free Markets." I suspect substantially fewer would feel comfortable wearing a T-shirt that graphically linked arms bearing with the rejection of political absolutism. If this speculation is correct, we can better appreciate just how radical the Second Amendment is.

Lance K. Stell
Professor of Philosophy and Chair
Davidson College
Davidson, NC

I must raise strong opposition to Daniel D. Polsby when he asserts, under the guise of community interest, that it may be permissible to insist "that those who keep and bear arms receive adequate education...to assure the responsible exercise of this right."

Any community mandate that requires anything before you can exercise a right degrades that right to a privilege. Rights require no permission nor any requirements to exercise them. I require no special training or classwork to write an editorial, nor to practice my Judaism. If the Second Amendment is to gain the same respect as the others, it must be treated as such.

There are already civil and criminal penalties if you negligently keep and bear arms. Possible negligent use of this right is not an excuse to condition the people's exercise of it.

Cory Brickner
brickner@IMAP2.ASU.EDU

I am a big fan of Daniel D. Polsby's work on the Second Amendment. But I must

express my disappointment that Prof. Polsby did not set the record straight about the erroneous punctuation that is nearly always given the amendment. Most reproductions contain a plethora of commas that confuse people because they are illogical: "A well regulated militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed."

But according to the American Law Division of the Library of Congress, this is not how the amendment was punctuated in the version adopted by Congress in 1789 and ratified by the States. (The letter is reproduced in J. Neil Schulman's *Stopping Power*.) That version contained only one comma, after the word *state*, just as we would punctuate it today. If the superfluous commas have confused people about the amendment's meaning, that cause of confusion is now removed.

Sheldon Richman
Washington, DC

The question of the upper boundary of arms protected by the Second Amendment is a thorny one, as Daniel D. Polsby's article indicates. Certainly militia weapons are protected, as decided in *U.S. v. Miller* (1939). Militia weapons of the revolutionary period included cannons.

But are militia weapons the only weapons so protected? Not necessarily. There is also evidence of an even wider range of free ownership of weapons within the body of the Constitution. "Congress shall have power...to grant letters of Marque and Reprisal" (Art. I, Sec. 8). A Letter of Marque and Reprisal is the legal distinction between a privateer and a pirate. It authorizes the owner of a privately owned warship to make war on the enemies of the issuing government. Clearly the framers contemplated privately owned warships. Indeed, the Continental Congress had issued such letters to American and French warships. Why should privately owned warships not be protected by the Second Amendment?

Charles Curley
ccurley@wyoming.com

Daniel D. Polsby replies: Thanks to Profs. Reynolds, Powe, McAffee, and Stell for their generous comments about my article. I accept Mr. Richman's correction regarding comma placement, though I think there is absolutely nothing one can do in the realm of punctuation to make the Second Amendment recognize a right other than that of "the people to keep and bear arms."

Though I am ultimately unpersuaded by his argument (and refutation must wait for another day), Cory Brickner does make an important point. There is tension between the notion of "rights" as a hedge against governmental abuse and the idea of government as an appropriate regulator of rights. It would certainly be unconstitutional for a state to make a person's free speech rights contingent on his having a certain amount of education. Why should the right to keep and bear arms be any different? I don't think a persuasive answer to this question can be constructed around the proposition that firearms are more virulent than words. The political speech of ignorant men has always been far more dangerous than the negligence or stupidity of gunowners.

Charles Curley is correct that the founders contemplated private warships. But although Congress has the power to *authorize* the private ownership of such heavy armaments, it does not follow that anyone has a Second Amendment *right* to such weapons. Absent case law, of course, the question of what "arms" the people have a right to keep and bear will remain debatable.

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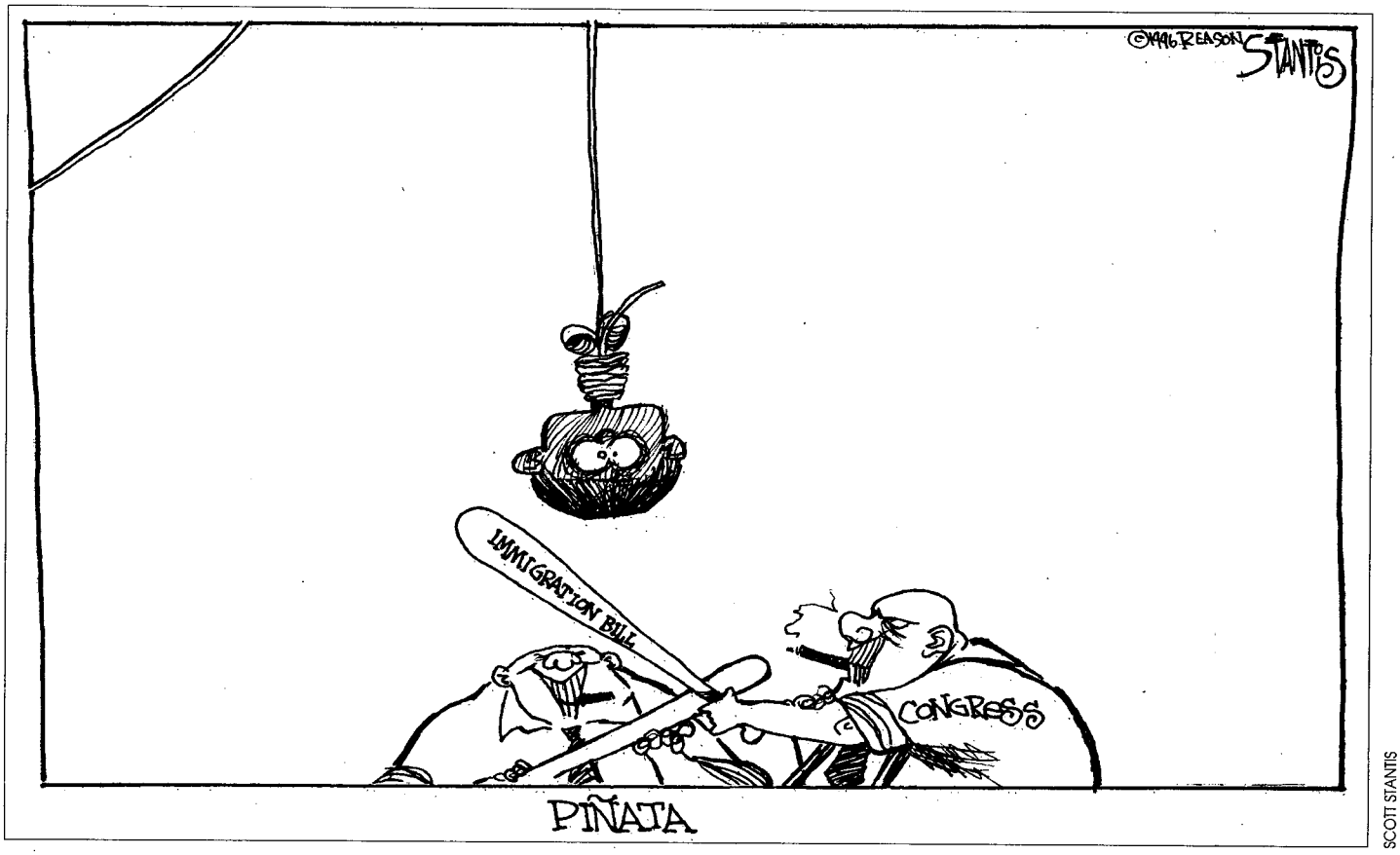

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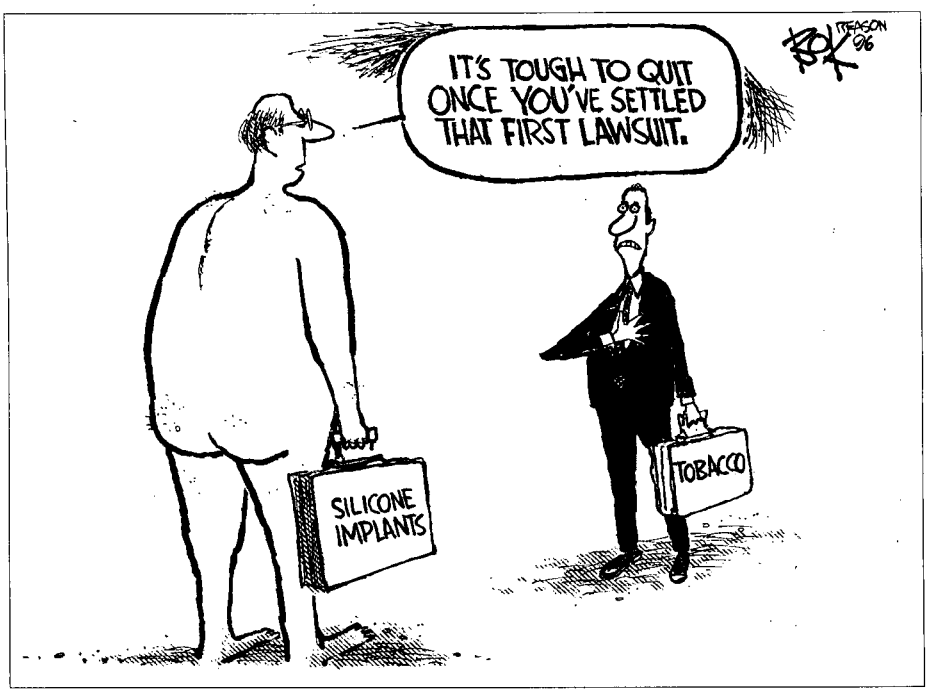


CHIP BOK

Patrick Sebastien is a television entertainer in France. As part of a sketch parodying far-right politician Jean-Marie Le Pen, Sebastien, as Le Pen, sang a song called "Casser du Noir." Roughly translated, it means "Beating Up Blacks." You get the idea. Unfortunately, French prosecutors and a French judge didn't. Sebastien and Patrick Le May, head of the network that aired the broadcast, were each fined $6,000. Not for mocking racists, but for "provoking racial hatred."

Speaking of racial hatred, two disc jockies in Denver have been suspended without pay. It seems they claimed to be outraged over basketball player Mahmoud Abdul-Rauf's refusal to stand during the national anthem at games. So they marched into a local mosque and loudly played "The Star-Spangled Banner."

And while we're on the subject of radio, here's a story from Wanganui, New Zealand. A man claiming to have a bomb burst into a station and made them play the Muppets song "The Rainbow Connection" for 12 straight hours. It turns out the man, who finally gave himself up to police, didn't have a bomb. But you'd think around hour three someone would have just said, "Screw it. Blow us all up."

Just Say Dope Dept.: So far, under California's three-strikes law, 192 people have received long sentences for marijuana possession, 40 for murder, 25 for rape, and 24 for kidnapping.

In Auburn, California, authorities are investigating death threats sent to the five members of the Placer County Board of Supervisors. They are all apparently related to the board's decision to approve a Wal-Mart store. I guess some people just aren't into bargain shopping.

A government inspector has found that the books for President Clinton's pet AmeriCorps "volunteers" project are in such shoddy shape that it can't even be audited. Despite this, Clinton has threatened another government shutdown if the Republicans in Congress cut the agency's funding.

You may have heard of *The Free Market*. It's a newsletter put out by the Ludwig von Mises Institute. Well, they dared to print an article critical of the Federal Emergency Management Administration a while ago. This prompted FEMA spokesman Morrie Goodman to call the institute and threaten to cut off their federal subsidies. Goodman was said to be quite perplexed when told the institute didn't get subsidies. The editor reported the call in the newsletter and got another call from Goodman. This time, Goodman called the editor "a very sick and dangerous human being," "sick," and "very, very sick."

In Charlotte, North Carolina, the local prosecutor has threatened to arrest actors in a production of the Pulitzer Prize–winning play *Angels in America*. No, it isn't a response to lousy performances. The prosecutor threatened the play because of a brief nude scene. The play, a look at gay life in the 1980s, was performed without incident in Greensboro and Durham, apparently more progressive cities.

The overnight letter looked important, so Eric Thompson opened it immediately as his wife looked on. "Dear Mr. Eric Thompson," the letter read, "You have been named as the father of an unborn baby....[The mother] is planning to consent to the child's adoption and the law requires the agency make diligent effort to locate and notify the child's father." Mrs. Thompson wasn't happy. Eric Thompson was perplexed; he knew that he hadn't fathered any such child. Fortunately, the adoption agency had an answer when the Thompsons phoned the next day. It seems that as part of their "diligent effort" they'd sent a copy of the letter to every Eric Thompson in the greater Chicago area phone books. Unfortunately, it seems that the Eric Thompson the letter was intended for wasn't listed; he's yet to be found.

In a similar vein comes the story of Luther Pike. The Selective Service recently sent Mr. Pike a notice telling him that he'd allowed his 18th birthday to pass without signing up for the draft. Only problem is it wasn't his 18th birthday. It was his 118th birthday. Or would have been. Pike died 23 years ago at the age of 95. Selective Service did send the letter to his correct address, however. Only the timing was off.

—Charles Oliver

Know the Code

Making encryption safe, legal—and not rare.

By Rick Henderson

SINCE TAKING OFFICE IN 1993, THE Clinton administration has clashed with high-tech companies and privacy advocates over electronic data encryption, the use of mathematical formulas to scramble messages sent over computer networks. The White House has regulated encryption so that law enforcement agencies can easily unscramble messages sent by suspected criminals. Individuals and organizations want to remove these restrictions so that they can ensure the privacy of their communications.

Congress may choose privacy. Three pending bills would bypass current regulations, allowing Americans to use any encryption programs they desire. They would also make it tougher to impose new restrictions on commercial cryptography.

The White House has used Cold War–era regulations that treat encryption as a weapon to restrict the length of the encryption "keys" that can be exported without first obtaining a license from the Commerce Department. The keys unscramble encrypted messages; the shorter the key, the easier the encryption is to crack. The administration also plans to allow companies to sell stronger encryption programs only if the keys are deposited with law enforcement or national security officials (a.k.a. "key escrow").

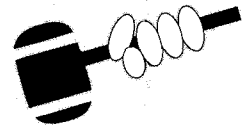
As a result, software makers have not developed the strongest possible encryption programs for the general public because they won't write separate programs for domestic and foreign customers. And no sensible overseas consumer would buy encryption knowing that its private communications would be subject to U.S. government snooping. If encryption restrictions were removed, the software industry estimates that U.S. companies could sell as much as $60 billion a year in encryption hardware and software by 2000.

The three bills before Congress—introduced by Sen. Conrad Burns (R-Mont.), Rep. Bob Goodlatte (R-Va.), and Sen. Patrick Leahy (D-Vt.)—would each guarantee the right of Americans to use or sell any encryption they want domestically. The bills would also eliminate export controls on any free or mass-market commercial encryption programs (such as Norton Utilities). The Goodlatte and Leahy bills would make it a federal crime to use encryption to conceal the commission of a felony.

Burns unveiled his bill at the March Conference on Computers, Freedom and Privacy in Cambridge, Massachusetts. His bill would go further than Goodlatte's or Leahy's, by prohibiting the federal government from imposing key-escrow requirements and preventing the secretary of commerce from entering into international agreements that limit encryption. Burns planned to formally introduce his bill in mid-April, after press time.

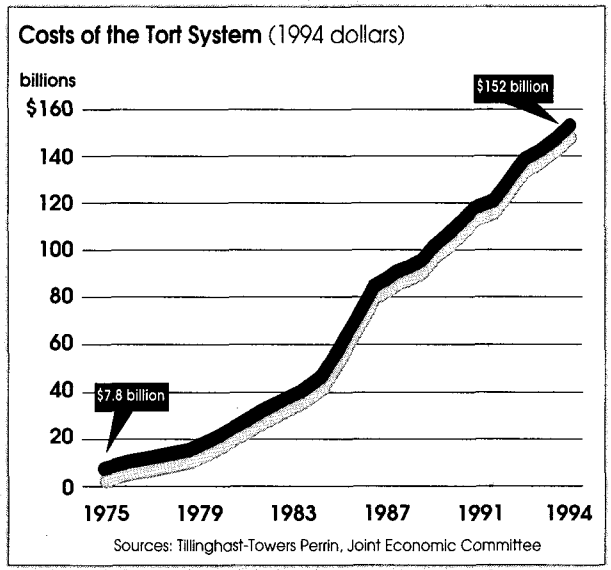
While Congress will probably hold hearings on the bills this year, it's unlikely a vote would occur before the election. Republican presidential nominee and Senate Majority Leader Bob Dole is a principal sponsor of the Leahy bill and may sponsor Burns's legislation—making Dole more in tune with the wired generation than the younger man who currently occupies the White House. ®

Excessive Damage



The cost of the tort system

By Rick Henderson



Throughout his peripatetic presidency, Bill Clinton has shown unwavering fidelity to one group of constituents: trial lawyers. In December, Clinton vetoed a securities litigation reform measure that was sponsored by the Democratic Party's general chairman, Connecticut Sen. Christopher Dodd. (Congress overrode that veto.) At press time Clinton had also threatened to veto a bipartisan product-liability reform bill championed by Democratic Sens. Jay Rockefeller (W. Va.) and Joseph Lieberman (Conn.). Excessive damage awards in liability suits lead to higher insurance premiums, increased consumer prices, and a reluctance by manufacturers who fear frivolous lawsuits to offer new products. A 1995 study by the actuary firm of Tillinghast-Towers Perrin estimates that the tort system cost individuals, businesses, and governments $152 billion in 1994. In March, Rep. Jim Saxton (R-N.J.), the vice chairman of the Joint Economic Committee, released a report estimating that three insurance-reform proposals pending in Congress could save consumers as much as $55 billion a year.

The Patriots,

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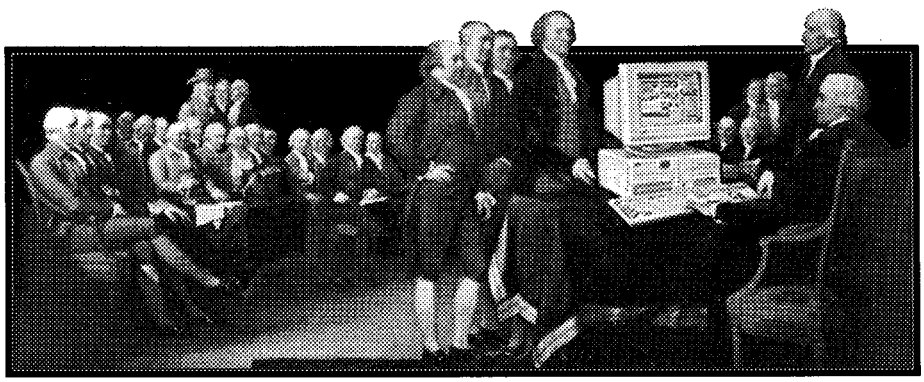

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Balance Sheet

By Rick Henderson

Assets

Growing Down. The Louisiana Supreme Court makes 18, rather than 21, the legal drinking age. Because 18-year-olds can vote and serve in the military, says the court, the 21-year-old requirement violates the state constitution's equal-protection provisions. States went from 18 to 21 when then–Secretary of Transportation Elizabeth Dole (no doubt before her husband became fond of the 10th Amendment) threatened to cut off federal highway funds to states that didn't increase the drinking age.

Defense Medicine. An $80 million Pentagon study of 19,000 ailing Gulf War veterans—the largest clinical survey in Pentagon history—finds no evidence of any disease it could call "Gulf War Syndrome." Only a handful of people suffer from ailments that could be caused by chemical or biological agents used during the war. Of those patients examined, 18 percent had illnesses with psychological causes, another 18 percent had symptoms with no distinguishable cause, and 10 percent weren't really sick.

Document Fraud. The First Amendment, upheld on appeal. Last September, U.S. District Judge John Feikens prevented *Business Week* from using sealed court documents as the basis for a story about a lawsuit between Procter & Gamble and Banker's Trust—even after the documents became public. The Sixth Circuit overturns Feikens, saying preserving free speech is more important than maintaining court secrecy.

Information Please. Enlisting House Judiciary Committee Chairman Henry Hyde (R-Ill.), religious conservatives and home schoolers tie up the job-training bill in a House-Senate conference, making passage unlikely this year. The bill includes a Robert Reich–inspired proposal that would establish a federal database listing the job description and salary of every job opening in the country. This $5 billion bureaucracy would also collect personal data on people seeking jobs and could try to force people to enroll in a government training program before accepting a new job.

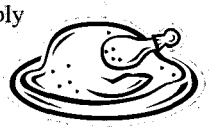
Liabilities

Free to Lose. Reporters and pundits inaccurately lump the "anti-government" Montana Freemen together with the Branch Davidians and Randy Weaver's family. The Waco and Ruby Ridge standoffs ended when federal law enforcement agents murdered people who threatened no one and merely wished to be left alone. By contrast, the Freemen have threatened to kidnap judges and financed their activities by passing bad checks. Such shenanigans could give anti-government zealotry a bad name.

Squeeze Play. Bank account feeling lighter? *Forbes* says that, after taxes and inflation, the typical family of four earning twice the median income is no better off than it was four years ago, has 6 percent less income than in 1986, and has about 4 percent less than in 1971. More than one-fifth of fringe benefits consist of your employer's share of Medicare and Social Security taxes—benefits you may never see. As a percentage of income, the federal tax bite has doubled since 1955.

Dues Processed. In the 1988 *Beck* decision, the Supreme Court said union dues can't be used to support political campaigns unless individual members want them to. The Clinton administration, however, refuses to enforce *Beck*. The result? The AFL-CIO raises dues by $2.00 per member per month, targeting the money to defeat 75 Republican members of Congress.

Chicken Fees. Russia increases tariffs against chickens raised in the United States, endangering America's largest market for exported birds. To comply with the conditions of a $10.1 billion International Monetary Fund loan, Russia says it has to hike its chicken fees by 20 percent. As much as $700 million in U.S. poultry exports may get plucked.



Feels Like the First Time?

Everything's new on the Internet

By Brian Doherty

IT WAS DÉJÀ VU ALL OVER AGAIN FOR *The New York Times*. On March 30, the paper ran Associated Press wire copy that reported the arrest of an Argentine student for hacking into U.S. military computers. The arrest, the story said, was the fruit of the "first court-ordered wiretap on a computer network."

Exactly three months earlier, on December 30, 1995, a staff-written *New York Times* report on the arrest of a German engineer for selling cellular phones programmed with stolen numbers was also billed as having "involved the first court-approved wiretap of the Internet."

When dealing with a relative novelty like the Internet, everything old becomes new again. During the late-'80s wave of prosecutions of such hacker gangs as the Masters of Deception, the cops used court-authorized wiretaps of computer communications. A Justice Department spokesman presents a fine distinction: In those cases "it wasn't of the computer packet switch network, but the circuit switch network. In other words, the wire tapping [was] at the phone company, but not at an Internet service provider." And of course, as an FBI official said in relation to the German engineer's arrest, law enforcement agencies often monitor Internet communications *without* court orders, but with the permission of the service provider.

Federal authority to do the wiretaps springs from 1986's Electronic Communications Privacy Act, so none of these cases represent an unprecedented expansion of law enforcement's ability to snoop in cyberspace. But the Internet seems to breed this sort of breathless novelty-oriented reporting. Says Mike Godwin, a lawyer who works with the Electronic Frontier Foundation, "I'm sure we have not seen the last first Internet wiretap." ®

Extracurricular Activities

Tallying up the National Education Association's agenda

By Nick Gillespie

THE NATIONAL EDUCATION ASSOCIATION prefers to call itself an "organization committed to advancing the cause of public education" rather than a teachers union. But, as a new report from the Virginia-based Alexis de Tocqueville Institute observes, a review of the NEA's *Legislative Program for the 104th Congress* "reveals that the [group's] public policy agenda would be extremely costly for America's children."

Using cost estimates from the texts of congressional bills and studies by the Congressional Budget Office, John E. Berthoud, vice president of the institute, says that if every NEA proposal became law, federal spending would jump by about $702 billion per year. If the extra burdens were paid by increasing taxes, the total would come to about $10,500 per family of four. "The most likely outcome," writes Berthoud, "is that much of this new spending will be financed by bigger federal deficits."

Some of the big-ticket items are hardly surprising. The NEA proposes, for instance, a $5.6 billion increase in federal funding of primary and secondary education, a $4.3 billion boost in early childhood education programs such as Head Start, and a $12.4 billion program to protect students and employees from environmental, health, and safety hazards.

But much of the NEA's agenda, says the report, has nothing to do with education. Among other initiatives, the union supports a single-payer health care system, assistance to areas hurt by shutdowns of army bases and other federal facilities, and protecting current levels of Medicare and Medicaid benefits. The NEA also supports increasing total Social Security payments by $126.8 billion—about five times the total of its education-related proposals—and lowering the age at which people become eligible for full retirement benefits. A spokesperson for the NEA said she had no knowledge of the study and could not comment on it.

"Despite NEA's claims to be an organization concerned first and foremost with children," writes Berthoud, "their legislative wish list has a strong bias in favor of today's retirees...the NEA would exacerbate the problem posed by entitlements for future generations by actually *increasing spending* on today's beneficiaries." ®

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SICK

OF IT ALL

PEOPLE WITH "MULTIPLE CHEMICAL SENSITIVITY" ARE DEFINITELY SUFFERING. THE QUESTION IS, WHY?

BY MICHAEL FUMENTO

KAREN WAS THE LIBRARIAN AT A newspaper in Los Angeles where I worked. When we moved to new offices, somebody told her the library's bookshelves contained formaldehyde. Soon she was suffering from a headache, aching joints, and labored breathing. But then Karen heard there was no formaldehyde in the shelves. Suddenly the symptoms disappeared. A colleague later told me that it turned out the shelves contained formaldehyde after all, but Karen remained blissfully ignorant of this and hence free of symptoms.

Depending on whom you ask, either this was clearly not a case of multiple chemical sensitivity, because the woman's symptoms

PHOTOS: ROBB KENDRICK

were psychosomatic, or it was a good illustration of what multiple chemical sensitivity is in fact all about.

"Multiple chemical sensitivities (MCS) is a dangerous diagnosis," begins an editorial by Ronald E. Gots in the March 1995 *Journal of Toxicology*. Gots is executive director of Environmental Sensitivities Research Institute in Rockville, Maryland, a clearinghouse for scientific data. He continues: "Unlike many 'alternative medical practices,' the diagnosis of MCS begins a downward spiral of fruitless treatments, culminating in withdrawal from society and condemning the sufferer to a life of misery and disability. This is a phenomenon in which the diagnosis is far more disabling than the symptoms."

Mainstream medical science agrees with Gots. But many Americans beg to differ, because they're convinced they have the disease. To them, the symptoms of MCS are all too real, and an MCS diagnosis simply tells it like it is. And even the most cynical observer has to admit that many of these people are suffering terribly. They often bounce from doctor to doctor, seeing as many as two dozen in a year because nobody seems able to treat them or to take their complaints seriously. (Only 400 or so U.S. doctors, known as "clinical ecologists" or "environmental physicians," treat MCS.) MCS patients sometimes have scores of complaints. They give up much of what most Americans consider the necessities of life. Sometimes they feel forced to move away from friends and family in search of a "safer community."

People who claim to suffer from MCS are receiving not just sympathy but official recognition and legal privileges. In 1992, the Department of Housing and Urban Development said people with MCS can seek protection under federal housing discrimination laws. In one lawsuit, a Virginia housing development agreed to stop using pesticides near the home of a woman who claimed to be chemically sensitive. MCS advocates argue that the case should set a precedent for lawsuits in the workplace as well. Many federal agencies, including the Social Security Administration, the Department of Education, the Environmental Protection Agency, the Food and Drug Administration, and the Occupational Health and Safety Administration, have issued policy statements to help staff members deal with citizens' MCS claims. The Social Security Administration will now make disability payments to people who can demonstrate to the government's satisfaction that they have been incapacitated by MCS. HUD provided $1.2 million to build an Ecology House for MCS sufferers in Marin County as part of a program intended to "support housing for people with disabilities." Many journalists have been credulous as well, to judge from articles with titles such as "Sick of Work: Chemical Poisons at the Office Can Put You at Risk" (*Calgary Herald*), "When Life is Toxic" (*The New York Times*), "Environmental Illness: The New Plague" (*Utne Reader*), "Why You May Be Allergic to Your Home" (*McCall's*), and "Allergic to the 20th Century" (*Health*).

SO WHO'S RIGHT? ARE MCS SUFFERERS REALLY sick? Or is what has been called "the ultimate 20th century illness" really one of the great hoaxes of the 20th century? Could it be both?

The idea of MCS has a certain intuitive appeal to anyone who is familiar with allergies. But both the causes and effects of MCS are said to be much broader. People who believe MCS is real generally describe it as a breakdown of the immune or nervous system caused by an overload of offending agents. Often a single agent is cited as the proverbial back-breaking straw. The agents blamed for MCS are not always chemicals (electromagnetic fields are often mentioned), which is why many prefer the term "ecological illness" to MCS. Other names include "chemical hypersensitivity," "environmental hypersensitivity," "total allergy syndrome," "cerebral allergy," "chemical AIDS," and "20th Century Disease." In February a World Health Organization (WHO) workshop in Berlin concluded that MCS should be called "idiopathic environmental intolerances," with *idiopathic* defined as "self-originated" or "of unknown causation."

Most medical authorities have another name for it: hogwash. Here are a few of their views:

American Academy of Allergy and Immunology, 1986: "Review of the clinical ecology literature provides inadequate support for the beliefs and practices of clinical ecology....Diagnoses and treatments involve procedures of no proven efficacy."

The American College of Physicians, 1989: "The existence of an environmental illness as presented in clinical ecology theory must be questioned because of the lack of clinical definition." There is "inadequate support" for the basic beliefs of clinical ecology.

American Medical Association Council on Scientific Affairs, 1992: "No scientific evidence supports the contention that [MCS] is a significant cause of disease or that the diagnostic tests and the treatments used have any therapeutic value....[M]ultiple chemical sensitivity should not be considered a recognized clinical syndrome."

WHO Workshop on Multiple Chemical Sensitivities, 1996 (as summarized by Gots, who participated): MCS "cannot be recognized as a clinically-defined disease. There are neither accepted underlying mechanisms nor validated clinical criteria for diagnosis. A relationship between exposures and symptoms is unproven."

Defenders of the MCS concept sometimes assert, without offering evidence, that the syndrome is getting more recognition. In her 1989 *Utne Reader* article, Lynette Lamb declared, "The National Institutes of Health, MIT, Yale and Johns Hopkins University are among recent converts to the existence of [MCS]." Yet schools don't even have a mechanism for "converting" to a position. What Lamb should have said is that at least one professor (out of hundreds) at those schools accepts MCS. As for the NIH, it has never convened a panel nor issued a position paper, nor weighed in any way on the existence of MCS.

Official authorities proclaim the existence of MCS so rarely that when they do they are eagerly quoted by the media. Thus many newspapers and magazines gave favorable coverage to the New Jersey Department of Health's 1989 report on MCS, which said MCS "is widespread in nature and is not limited to what some observers would describe as malingering workers, hysterical housewives and workers experiencing psychogenic illness....[C]hemical sensitivity is increasing and could become a large problem with significant economic consequences related to the

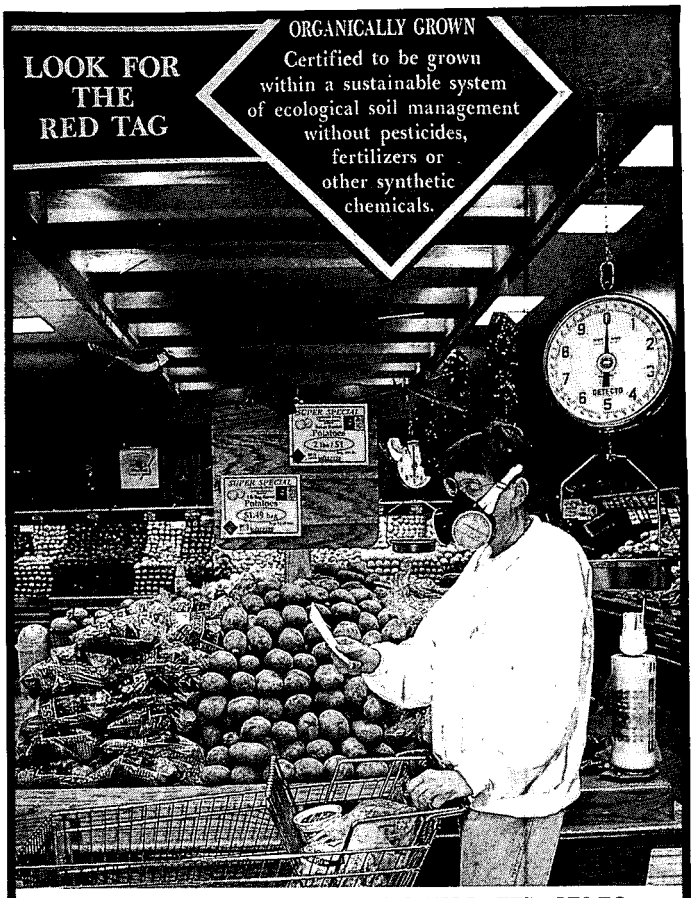
disablement of productive members of society."

The Washington Post, the *San Francisco Chronicle*, *The New York Times Magazine*, and the environmentalist *E* magazine reported these conclusions without telling their readers the background of the two individuals who prepared the report. One was MIT chemist and lawyer Nicholas A. Ashford, who for decades has been an environmental activist focusing on harms caused by chemical exposures. In 1980 he was kicked off an EPA advisory board because of his perceived leftist activities. The other was University of Texas at San Antonio allergist and immunologist Claudia S. Miller, who makes her living in part by treating MCS patients and who co-wrote a book on the subject with Ashford, *Chemical Exposures: Low Levels and High Stakes*. Miller has argued the existence of MCS since at least 1978 and continues to be frequently quoted on the subject. She also advocates recognition of the controversial Gulf War Syndrome. In short, Ashford and Miller's judgment that MCS is a real and pressing problem is about as newsworthy as Pope John Paul's position on abortion.

IN THE BATTLE OF AUTHORITIES, THOSE WHO accept MCS as a bona fide disease are the clear losers. But authorities have been wrong before on scientific issues. Let's look at the evidence.

The traditional definition of organic disease would lead us to expect a fairly narrow range of symptoms, of causes, and of treatments (if any). Furthermore, there should be biological tests to confirm the disease. All tuberculosis, for example, is caused by *Mycobacterium tuberculosis* or a related germ, *Mycobacterium bovis*. The symptoms of active tuberculosis can vary somewhat from patient to patient but typically include coughing up blood and labored breathing, along with perhaps a couple of other problems. The disease is transmitted through contact with another individual. The causative germ can be seen under a microscope, and it can be killed with antibiotics. AIDS is an apparent exception to the narrow-range-of-symptoms rule, but that's because it drops the immune system's shields, allowing any number of opportunistic infections to flourish. And even here a handful of symptoms appear regularly in most victims.

But with MCS, as one Internet writer who believes in the condition put it, "the illness can cause all the symptoms of every disease or disorder known [in] psychology, psychiatry, and the general medical profession." Indeed, a paper provided by the Chemical Injury Information Network of White Sulphur Springs, Montana, lists more than 100 symptoms that may result from MCS, including sneezing, itching, twitching, numbness, difficulty swallowing, hoarseness, earache, chest pain, easy bruising, high or low blood pressure, sore muscles, cramps, eczema, "heavy eyes," blurred vision, dyslexia, frequent urination, genital itching, PMS, backache, nausea, belching, constipation, hunger, thirst, headaches, apathy, forgetfulness, insomnia, IQ drop, depression, bitter or sweet slime in mouth, heat sensitivity, cold sensitivity, stiffness, swelling, neck pain, anxiety attacks, agitation, liver pain, hair loss, premature gray hair, brain fog, and genital sweating. A note at the bottom of the page adds: "Unfortunately this is not a complete list of symptoms." If you haven't suffered at least a dozen of the listed symptoms in the past year, you're probably an android.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MCS SUFFERERS CAN BE LED TO SEVERE ATTEMPTS TO AVOID THE OUTSIDE WORLD, INCLUDING WEARING A PROTECTIVE MASK WHILE SHOPPING.

If the sky is the limit on the symptoms of MCS sufferers, what about causes? Here, too, anything and everything. The most common include formaldehyde (found in furniture glue, particle board, and synthetic carpeting, among other materials), pesticides, solvents, acrylic resins, mercury compounds, polyester, latex, gasoline, glues, paints, detergents and other cleaners, tobacco smoke, perfumes, newspaper print, hair cream, oral contraceptives, dry-cleaning solvents, and bleach. But the etiology of MCS goes beyond synthetic agents. In addition to contaminated air and water, writes *Boston Globe* environmental reporter Nicholas Tate in his book, *The Sick Building Syndrome*, MCS can be caused by "viruses, molds, bacteria, and pollens."

"It gets a little bit trendy in terms of what's the latest fad," says Herman Staudenmayer, a Denver psychologist and MCS skeptic who has assessed and treated several hundred clients complaining of the syndrome since 1980. Lately, he says, the emphasis has been on carpets, formaldehyde, solvents, and pesticides. "Those are the things getting lot of attention, as well as certain cleaning products," he says. But "there's no exclusion, and this is important. There's no chemical that is safe. There's no food that is safe." Explaining how MCS causes become "trendy," Gots says, "Support groups are contagious. They tell everybody what all the things are that give them symptoms, and that's a contagious thing to do."

So it seems that practically anything can cause MCS and that

practically any symptom can be the result of MCS. But what about treatments? It is not uncommon in medicine to be diagnosed by your treatment. The doctor suspects you have a certain illness and gives you medicine for it. If the medicine works, he was probably right. Can we define MCS by a common successful treatment? No, because MCS is not considered a curable disease, and the treatments are as diverse as the symptoms and causes.

If you search the Internet, you can find the name of Pietr Hitzig, a Maryland physician who prescribes a combination of the drugs phentermine and fenfluramine for MCS. Nowhere on his World Wide Web page does he tell you that these are actually weight loss drugs in the amphetamine family. Perhaps Hitzig feels that if he can't cure his patients, he can at least make them happy by helping them drop a few pounds.

One clinical ecologist, Sherry Rogers of Syracuse, New York, has prescribed a macrobiotic diet—based on grains and vegetables, free of wheat and dairy products—for MCS. Rogers says it works by detoxifying the body, especially critical in today's toxin-ridden world. Another clinical ecologist, Joseph Weissman, who has a practice in Torrance, California, reportedly agrees with the macrobiotic diet but also recommends avoiding tap water, caffeine, and alcohol. He tells MCS sufferers to rid their homes of toxic chemicals such as cleaners and pesticides, improve the ventilation system, and avoid all drugs, whether prescription or over the counter.

A favorite MCS treatment is saunas, which supposedly "sweat out toxins." One correspondent in an Internet news group said the government ought to provide all MCS sufferers with a sauna. They would probably like that (who wouldn't?), but you can't sweat out a toxin, because the sweat glands aren't connected to any of the organs that process toxins. And no, saunas don't help you lose fat either.

Other treatments include coffee enemas, something called "salt-neutralization therapy," gamma globulin, interferon, vitamins, ginseng, and the patient's urine (as a beverage or injection). A Sacramento-area specialist treats many of his patients with injections of "the north wind." He bubbles air through water, then injects the water as a "neutralizer." Why "the north wind"? Because many of his patients complain they feel worse when the wind blows from that direction.

A common treatment for MCS is simple avoidance. This can be mild, as in avoiding, say, formaldehyde or solvents. But sometimes it means making yourself a prisoner in your own home; living in a small porcelain house (porcelain being one of the few materials said to be safe for MCS sufferers), or, in extreme cases, moving away from civilization. One favorite refuge is the small scorpion- and fire ant–infested town of Wimberly, Texas, an hour's drive from San Antonio. MCS patients are often referred there by Gerald Ross and William Rea, physicians at the Environmental Health Center in Dallas. In Wimberly can be found a woman who hangs her mail on a clothesline for weeks before reading it, to allow the toxins in the ink to dissipate. Another woman tried living in a six-by-nine-foot porcelain hut but now just spends almost all her time on her porch, no matter how cold it gets. Yet another wears a protective mask while shopping but still develops breathlessness, palpitations, and vomiting when she smells gasoline fumes.

If most of the these treatments seem to have a voodoo quality about them, that's because, as with voodoo rituals, many people swear by them, but there's no science to back them up. As the Berlin WHO workshop concluded, MCS treatment has not been validated in controlled clinical trials.

THE FINAL CRITERION FOR DISEASE, ALONG with symptoms, causes, and treatments, is whether it can be detected with a test. Clinical ecologists and their supporters sometimes turn this requirement on its head, saying that if tests for all other types of disease come up negative, then the sufferer must have MCS. Clearly, that's unsatisfactory. It's like a doctor announcing that some skin cancers are caused by energy waves from UFOs: If no other cause of the skin cancer (such as sunburn) can be found, then it must be a UFO-related illness. Impossible to prove, yes, but also impossible to disprove. That's the beauty of an MCS diagnosis and MCS in general. It's what logicians call a nonfalsifiable argument.

So is there an objective, clinical way of telling whether your twitching, headaches, and graying hair are MCS or just, well, twitching, headaches, and graying hair? Doctors with MCS practices use various tests. Grace Ziem, a Baltimore occupational medicine therapist who has about 200 MCS complainants under her care, seems to rely heavily on questionnaires and interviews, but she says she also does some laboratory testing, such as neuroimaging. The problem is that objective scientific tests can be interpreted subjectively. An X-ray is an objective thing, but a chiropractor might look at a back X-ray and see misalignment, while an orthopedic surgeon will look at the same X-ray and see a perfectly aligned spine. The WHO workshop concluded as much, saying that none of the tests used to diagnose MCS give clear results.

IF MOST MCS TREATMENTS HAVE A VOODOO QUALITY ABOUT THEM, THAT'S BECAUSE, AS WITH VOODOO RITUALS, MANY PEOPLE SWEAR BY THEM, BUT THERE'S NO SCIENCE TO BACK THEM UP. AS THE WORLD HEALTH ORGANIZATION WORKSHOP CONCLUDED, MCS TREATMENT HAS NOT BEEN VALIDATED IN CONTROLLED CLINICAL TRIALS.

Ziem grants the possibility that some patients simply have psychosomatic illness. "If their lab results are negative," she says, "it looks like more of a personality thing." But somehow her tests are never negative. "I don't remember having someone who is

just having a psychological reaction," she says. "Some people do, but in our experience we're not finding it."

The most commonly used test for MCS is probably provocation-neutralization, in which subjects are given a tiny dose of various agents and questioned about how they feel. (This procedure is much more subjective than a conventional allergy test, in which a substance is injected just below the skin, and a positive result is indicated by redness and swelling.) Once an offending agent has been identified, the clinical ecologist injects it in various rising concentrations until a "neutralizing dose" is found. The problem with such testing is obvious. If MCS is brought on by suggestion, this procedure will not eliminate that possibility. A young woman convinced she's sensitive to Pierre Cardin cologne will get sick when you tell her you are now exposing her to Pierre Cardin.

In 1990 this test was put to the test. The study, which followed a protocol considered fair by both advocates and detractors of MCS, was financed by two clinical ecology organizations, the Academy of Otolaryngic Allergy and the American Academy of Environmental Medicine. Seven experienced clinical ecologists used their own food extracts in their own offices with their own patients. They gave 18 patients injections, some of which contained test substances and some of which contained saline as a placebo. The study was double-blind, meaning neither doctor nor patient knew who was getting what. The results, reported in the August 16, 1990, *New England Journal of Medicine,* were not to the liking of the people who paid for them. The subjects reported the same number of symptoms whether they received test agents or saline solution. Furthermore, "neutralizing" doses of the food extracts and the placebo were equally likely to provide relief.

BY ALL TRADITIONAL STANDARDS OF ILLNESS—SYMPTOMS, CAUSES, TREATMENTS, AND TESTS—MCS COMES UP WANTING. IT'S ONE THING TO BE SENSITIVE TO A CERTAIN CHEMICAL, QUITE ANOTHER TO SAY THAT A SENSITIVITY CAN SOMEHOW OVERWHELM THE IMMUNE SYSTEM, CAUSING BROAD VULNERABILITY TO ILLNESS.

The chief researcher for this project was Don L. Jewett, an orthopedic surgeon at the University of California at San Francisco. He told a reporter he was surprised by the study's negative findings. "I believed it was going to be positive," he said. "I looked at it every way I could think of. It's just completely consistent with randomness. And that's the only thing it's consistent with." Jewett said that at one time he had been very much a believer, having been treated by a clinical ecologist. Now he's one of clinical ecology's major critics. "I had believed in it [MCS] and when we did the experiment we expected it would turn out positive. We designed it carefully to convince any skeptics. So when it didn't work out it clearly showed the methods they [clinical ecologists] were using at that time did not work as claimed. Their basis was the doctor's impressions and I believe that's all they still use. It's not science."

By all traditional standards of illness—symptoms, causes, treatments, and tests—MCS comes up wanting. "Most physicians would agree that there are chemical sensitivities," says Staudenmayer, the Denver psychologist. "I believe there are. We have found them in toxicology and in industrial medicine. So you have a legitimate basis of toxic evidence." But he emphasizes that it's one thing to be sensitive to a certain chemical, quite another to say that a sensitivity can somehow overwhelm the immune system, causing broad vulnerability to illness.

SO WHAT'S CAUSING ALL THESE STRANGE maladies? In a study reported in *The Journal of the American Medical Association* in 1990, University of Iowa psychiatrist Donald Black and his colleagues tried to find out. Black discovered that patients who had been diagnosed by clinical ecologists as having MCS were far more likely than other people to have psychological problems such as depression, anxiety disorders, and panic attacks. "It's my belief," he said at the time, "that people diagnosed as having environmental illness in most cases do have something wrong: a garden-variety emotional disorder." Don Jewett agrees: "My basic underlying theory is that these patients are very stressed. Almost all have very unsatisfactory lives."

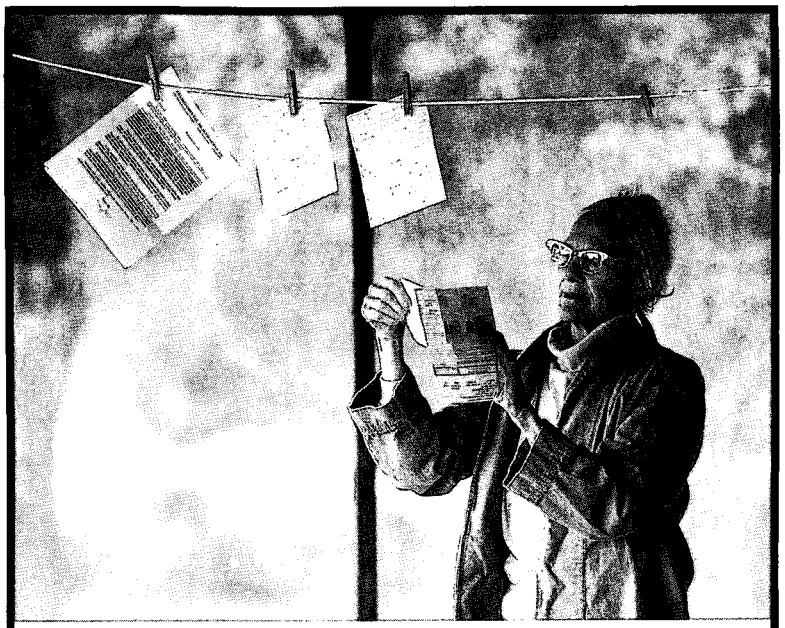
Stephen Barrett, a retired Allentown, Pennsylvania, psychiatrist and author of *The Health Robbers: A Close Look at Quackery in America*, notes that the symptoms most commonly exhibited by MCS sufferers "have to do with the body's reaction to stress. That means you're going to get a lot more complaints of insomnia and headaches than of nose bleeds." Adds Staudenmayer, "These patients sort of live their belief. They believe their illness is caused by factors external to themselves, so they project problems or cause of problems onto the physical environment."

But couldn't it be that suffering for years from untreated MCS leads to the psychological disorders, rather than the other way around? No, says Black. "In many, if not most, of the cases," he explains, "their psychiatric history long predates any chemical exposure the clinical ecologist thinks is causing their problem." One woman he saw had hospital records of psychosomatic problems dating back to the 1930s, though her MCS diagnosis had been made just 10 years earlier. "We have that kind of history on a number of patients," he says. Furthermore, "a lot of these people have psychiatric problems that you wouldn't expect to see if it were just a reaction to chronic illness, such as panic attacks and somatizations" (turning psychological stress into physical symptoms). The kinds of mental illness you'd be more likely to see if this were a response to chronic demoralization, he says, are de-

pression, mild anxiety, and marital discord.

Doctors who treat MCS patients, like Ziem, seem rarely if ever to find that their patients have psychological problems. In the mid-1980s Canadian researchers preparing a report on MCS for the Ontario Ministry of Health looked through the files of the most prominent clinical ecologist, William Rea of the Environmental Health Center in Dallas. They found that only four out of 2,000 of Rea's patients had tested negative for environmental sensitivity, and those four were found to have cancer. The reviewers said Rea used "no appropriate controls and the patients were assumed to have environmental hypersensitivity mainly by being referred to the unit." It strains belief that out of all the hypochondriacs and people with psychosomatic illness out there, none manage to find their way to Rea's clinic.

Likewise, the New York City physician Warren M. Levin testified in court a few years ago that since 1974, when he began practicing clinical ecology, he had diagnosed every patient he saw as suffering from environmental illness. The suit was brought by the estate of a young man who had previously been diagnosed as a paranoid schizophrenic convinced that "foods were out to get him." Levin gave him the usual diagnosis and put him on a restrictive diet and supplements. He continued the treatment for several years, until the man's suicide. The jury found Levin negligent and awarded the estate $900,000 in damages.



WHAT MOST MCS SUFFERERS WANT IS HELP. THEIR STRANGE SYMPTOMS ARE THEIR WAY OF ASKING FOR IT. SOME SUFFERERS HANG THEIR MAIL FOR DAYS BEFORE TOUCHING IT.

Among the main instigators of the MCS syndrome, say MCS critics, are the clinical ecologists themselves. "They have a significant role in keeping these people sick," says Gots. "They tell them they're poisoned, and if you're told you're being poisoned you believe you're being poisoned. I've seen hundreds of patients like this." Black, the University of Iowa psychiatrist, says "people who receive this label of MCS are psychologically vulnerable. They tend to be suggestible individuals. Many have physical complaints of unknown origin and shop from doctor to doctor and are just delighted when a clinical ecologist gives them an explanation for years and years of ailments."

IT HAS LONG BEEN UNDERSTOOD THAT SUGgestion can be very powerful in both curing and causing illness, but historically the emphasis has been on the positive side. The negative side is called a nocebo. It shows up regularly in tests in which one group is given a real drug and another a fake drug as a control. For example, in one study of the antidepressant Prozac, 15 percent of the subjects claimed to have gotten headaches even though it turned out they were receiving a placebo. We've probably all suffered the nocebo effect, developing symptoms in response to somebody else's symptoms or upon receiving a diagnosis of illness.

The fact that a person's illness is psychosomatic doesn't mean the person isn't really suffering. A headache is a headache, whether it was caused by a blow to the head or because you smell cleaning solvent and are convinced cleaning solvent smells make you ill. Your head hurts just the same.

I know this from personal experience. During my first year in the Army I began breaking out in terrible hives. Whole parts of my body, including hands, feet, and lips, would swell up. My face was covered with huge red welts. I felt like throwing a hood over my head and proclaiming to gawkers: "I...AM...A MAN!" This continued on and off for several horrible weeks. No allergen could be found. Then one day a savvy soldier told me, "You're allergic to the color green." Well put and well diagnosed. Long before I began writing for libertarian magazines I had come to hate the authoritarianism of the Army. I was unwilling to desert, unable to resign. My body burst out because I could not. Fortunately, the cure for my hives came in understanding the cause, and soon they were gone—though it took more than three years to eliminate the "causative agent."

Anxiety-induced illnesses are so common one wonders if there aren't other pseudo-illnesses stalking the land. Absolutely, says Gots. "Gulf War Syndrome is not particularly different from this," he says. "Neither are the breast implant complaints. I see a lot of those."

Those familiar with the role that litigation has played in the silicone implant controversy (see "A Confederacy of Boobs," October 1995) will wonder about that side of MCS. Some insurers and defendants attorneys are convinced that the threat from MCS suits is huge. So are trial lawyers. In 1987, the Association of Trial Lawyers of America voted to establish a clearinghouse on ecological illness and its legal aspects. In addition to personal injury lawsuits, MCS gives rise to worker's compensation and Social Security disability claims.

In a nice twist, the Environmental Protection Agency—whose noncommittal position on MCS has allowed backers to claim the agency is on their side—was sued in 1990 by employees at its Washington, D.C., headquarters who claimed that their new building had given them MCS. In 1993, the jury awarded five employees a total of about $1 million, but the D.C. Superior Court later threw out the verdict and granted a judgment in favor

of the EPA. The court essentially said the whole thing was quite silly, that the plaintiffs hadn't proven their case or established damages and seemed to be remarkably healthy for people claiming to be so sick. Some of the plaintiffs had even requested damages for emotional harm, meaning they felt they should receive money even without showing that anything was physically wrong with them. The court said no to that, too.

Potential deep pockets abound, says Bonnie Semilof, an attorney with Spriggs and Hollingsworth in Washington, D.C., who often litigates MCS cases for defendants. "Manufacturers and applicators of a variety of substances found at home and workplace" are vulnerable, she says, as are "makers of carpeting, pesticides, formaldehyde, etc." Some MCS plaintiffs have received millions of dollars in damage awards. In 1985, based on the testimony of two clinical ecologists, a jury awarded $49.2 million in compensatory and punitive damages to 32 people who lived near a chemical plant in Sedalia, Missouri. "Even though the science behind them hasn't been established, you can't disprove it, either," Semilof says. "Anyone who tells you to laugh at these claims and dismiss them is full of it. From a legal and medical point of view, it needs to be taken quite seriously."

MCS may soon become fodder for "public interest" suits. Julia Kendall of the Chemical Injury Litigation Project told the Cato Institute's James Bovard, "No one should be wearing perfume to the theater. Why should we have brain damage because people are wearing toxic chemicals?" Her agenda? "Basically, we want to destroy the fragrance industry." Targets include clothing softeners, scented deodorants, aftershaves, and hair sprays.

The nocebo effect can be accompanied by what is called "secondary gain." If a person thinks there is something to gain by remaining ill, that belief may help perpetuate symptoms. Sometimes the reward is just sympathy. Other times it's relief from a disagreeable job. And sometimes it's big bucks, which is where the lawyers come in. Says New York University psychiatrist Herbert Spiegel, an authority on secondary gain, "All day long we get various sensations we can't account for. If we can associate a sensation with a deep pocket, it's easy to interpret in such a way that I'm getting a toxic effect from such and such."

IF A PERSON THINKS THERE IS SOMETHING TO GAIN BY REMAINING ILL, THAT BELIEF MAY HELP PERPETUATE SYMPTOMS. SOMETIMES THE REWARD IS JUST SYMPATHY. OTHER TIMES IT'S RELIEF FROM A DISAGREEABLE JOB. AND SOMETIMES IT'S BIG BUCKS, WHICH IS WHERE THE LAWYERS COME IN.

STILL, THE VAST MAJORITY OF MCS SUFFERERS never file lawsuits or worker's compensation claims. Money is not what they're looking for. Says Gots, "People take care of you, are solicitous of you; you can't do certain things, like working. Clearly, getting money from worker's comp or tort claims is a compensation, but frankly I think that's not a major stimulus."

What most MCS sufferers want is help. Their strange symptoms are their way of asking for it. Some people in trouble turn to alcohol or other drugs. Some become spouse or child abusers. People who believe they have MCS make themselves sick, expressing their unhappiness as physical illness. By blaming their troubles on outside forces—carpet makers, oil refiners, or house builders—they gain sympathy and avoid responsibility. But they continue to suffer.

If they see the right people, MCS sufferers can be helped. Not with houses built out of toilet-bowl material and unbleached, non-colored clothing, but by working through the real underlying cause of their problems. Staudenmayer, the Denver psychologist, claims a 75 percent success rate. In his office, he can expose a patient to the odor of a substance the patient blames for previous illness, or expose the patient to the basic chemical substance without the odor. Time and again Staudenmayer and the patient together discover that the connection is mental.

"One of the things that happens with these patients is their belief system gets more elaborate as they are treated by clinical ecologists," he says. "I try to give them a belief system more in line with the real world." Some of his patients refuse to accept the results of his tests and storm out of his office. But for others the experiment is an epiphany. "I do show them they have symptoms, but not necessarily caused by environmental agents," Staudenmayer says. "I teach them to regulate their stress response physiology and thereby mitigate their symptoms. The most important part of the relationship is trust and understanding....I don't challenge their belief system, I [just] say, 'Let's see if I can make you better.' When they start telling you their life story—which is often a horror story about their childhood—and you listen, some gain insight and progress to more insight-oriented psychotherapy."

Thus for many MCS sufferers, help is just a good, understanding therapist away. "It's clear just from talking with some [MCS patients] that they had ordinary depression," Black said when his study came out. "If they were offered standard antidepression treatments, their symptoms would probably go away very promptly." Sadly, for all too many that will never happen. With clinical ecologists raking in the bucks by keeping their patients ill, journalists who think they're doing MCS sufferers a favor by eschewing medical science in favor of victims' beliefs, and government agencies like the EPA refusing to take a strong position that nonsense is nonsense, all too many sick people remain destined to stay that way, trapped in a hell of their own—and their doctor's—creation. ®

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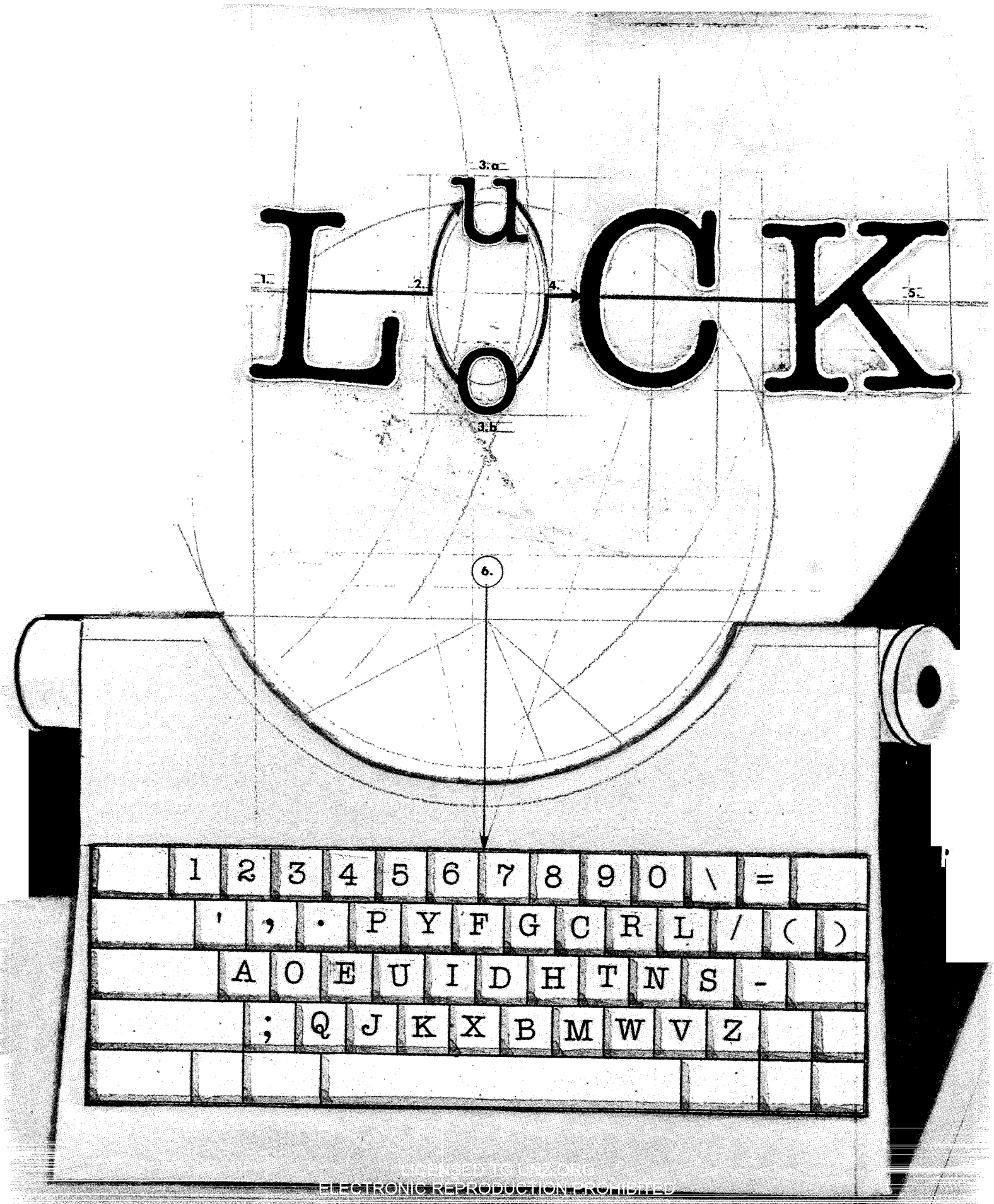

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Typing Errors

The standard typewriter keyboard is Exhibit A in the hottest new case against markets. But the evidence has been cooked.

By Stan Liebowitz and Stephen E. Margolis

Like a modern horror movie villain who keeps coming back from the dead, a false story can take on a life of its own: Eskimos have hundreds of words for snow, Millard Fillmore ordered the first bathtub for the White House, that sort of thing. Even after they are shown to be false, some stories are repeated, embellished, and occasionally built into entire belief systems. These fictions may ordinarily be little more than curiosities or mere affronts to our concern for the truth. But our concern here is with one such story that is put forward as part of a case against the effectiveness of free markets and individual choice. This story has consequences.

Our story concerns the history of the standard typewriter keyboard, commonly known as QWERTY, and its more recent rival, the Dvorak keyboard. Pick up the February 19 edition of *Newsweek* and there is Steve Wozniak, the engineering wunderkind largely responsible for Apple's early success, explaining that Apple's recent failures were just another example of a better product losing out to an inferior alternative: "Like the Dvorak keyboard, Apple's superior operating system lost the market-share war." Ignoring for the moment the fact that just about all computer users now use sleek graphical operating systems much like the Mac's graphical interface (itself taken from Xerox), Wozniak cannot be blamed for repeating the keyboard story. It is commonly reported as fact in newspapers, magazines, and academic journals. An article in the January 1996 *Harvard Law Review*, for example, invokes the typewriter keyboard as support for a thesis that pure luck is responsible for winners and losers, and that our expectation of survival of the fittest should be replaced by survival of the luckiest.

But this is just the tip of the iceberg. In the *Los Angeles Times*, Steve Steinburg writes, regarding the adoption of an Internet standard, "[I]t's all too likely to be the wrong standard. From Qwerty vs. Dvorak keyboards, to Beta vs. VHS cassettes, history shows that market share and technical superiority are rarely related." In *The Independent*, Hamish McRae discusses the likelihood of "lock-in" to inferior standards. He notes the Beta and VHS competition as well as some others, then adds, "Another example is MS-DOS, but perhaps the best of all is the QWERTY keyboard. This was designed to slow down typists...." In *Fortune*, Tim Smith repeats the claim that QWERTY was intended to slow down typists, and then notes, "Perhaps the stern test of the marketplace produces results more capricious than we like to think."

In a feature series, Steven Pearlstein of *The Washington Post* presents at great length the argument that modern markets, particularly those linked to networks, are likely to be dominated by just a few firms. After introducing readers to Brian Arthur, one of the leading academic advocates of the view that lock-in is a problem, he states, "The Arthurian discussion of networks usually begins at the typewriter keyboard." Other prominent appearances of the QWERTY story are found in *The New York Times*, *The Sunday Observer*, *The Boston Globe*, and broadcast on PBS's *News Hour with Jim Lehrer*. It can even be found in the *Encyclopaedia Britannica* as evidence of how human inertia can result in the choice of an inferior product. *The story*

PETER BENNETT

can be found in two very successful economics books written for laymen: Robert Frank and Philip Cook's *The Winner-Take-All Society* and Paul Krugman's *Peddling Prosperity,* where an entire chapter is devoted to the "economics of QWERTY."

Why is the keyboard story receiving so much attention from such a variety of sources? The answer is that it is the centerpiece of a theory that argues that market winners will only by the sheerest of coincidences be the best of the available alternatives. By this theory, the first technology that attracts development, the first standard that attracts adopters, or the first product that attracts consumers will tend to have an insurmountable advantage, even over superior rivals that happen to come along later. Because first on the scene is not necessarily the best, a logical conclusion would seem to be that market choices aren't necessarily good ones. So, for example, proponents of this view argue that although the Beta video recording format was better than VHS, Beta lost out because of bad luck and quirks of history that had nothing much to do with the products themselves. (Some readers who recall that Beta was actually first on the scene will immediately recognize a problem with this example.)

The doctrine of path dependence is transformed into a far more dramatic theory by the claim that the past so strongly influences the future that we become "locked in" to choices that are no longer appropriate. This is the juicy version that implies that markets cannot be trusted.

These ideas come to us from an academic literature concerned with "path dependence." The doctrine of path dependence starts with the observation that the past influences the future. This conclusion is hard to quibble with, although it also seems to lack much novelty. It simply recognizes that some things are durable. But path dependence is transformed into a far more dramatic theory by the additional claim that the past so strongly influences the future that we become "locked in" to choices that are no longer appropriate. This is the juicy version of the theory, and the version that implies that markets cannot be trusted. Stanford University economic historian Paul David, in the article that introduced the QWERTY story to the economics literature, offers this example of the strong claim: "Competition in the absence of perfect futures markets drove the industry prematurely into standardization on the wrong system where decentralized decision making subsequently has sufficed to hold it."

According to this body of theory, if, for example, DOS is the first operating system, then improvements such as the Macintosh will fail because consumers are so locked in to DOS that they will not make the switch to the better system (Rush Limbaugh falls for this one). The success of Intel-based computers, in this view, is a tragic piece of bad luck. To accept this view, of course, we need to ignore the fact that DOS was not the first operating system, that consumers did switch away from DOS when they moved to Windows, that the DOS system was an appropriate choice for many users given the hardware of the time, and that the Mac was far more expensive. Also, a switch to Mac required that we throw out a lot of DOS hardware, where the switch to Windows did not, something that is not an irrelevant social concern.

A featured result of these theories is that merely knowing what path would be best would not help you to predict where the market will move. In this view of the world, we will too often get stuck, or locked in, on a wrong path. Luck rules, not efficiency.

Most advocates of this random-selection view do not claim that everything has been pure chance, since that would be so easy to disprove. After all, how likely would it be that consecutive random draws would have increased our standard of living for so long with so few interruptions? Instead, we are told that luck plays a larger role in the success of high-technology products than for older products. A clear example of this argument is a 1990 Brian Arthur article in *Scientific American.* Arthur there distinguishes between a new economics of "knowledge based" technologies, which are supposedly fraught with increasing returns, and the old economics of "resource based" technologies (for example, farming, mining, building), which supposedly were not. "Increasing returns" (or "scale economies") means that conducting an activity on a larger scale may allow lower costs, or better products, or both.

Traditional concepts of scale economies applied to production—the more steel you made, the more cheaply you could make each additional ton, because fixed costs can be spread. Much of the path-dependence literature is concerned with economies of consumption, where a good becomes cheaper or more valuable to the consumer as more other people also have it; if lots of people have DOS computers, then more software will be available for such machines, for instance, which makes DOS computers better for consumers. This sort of "network externality" is even more important when literal networks are involved, as with phones or fax machines, where the value of the good depends in part on how many other people you can connect to.

What Arthur and others assert is that path dependence is an affliction associated with technologies that exhibit increasing returns—that once a product has an established network it is almost impossible for a new product to displace it. Thus, as society gets more advanced technologically, luck will play a larger and larger role. The logical chain is that new technologies exhibit increasing returns, and technologies with increasing returns exhibit path dependence. Of the last link in that chain, Arthur notes: "[O]nce random economic events select a particular path, the choice may become locked-in regardless of the advantages of the alternatives."

This pessimism about the effectiveness of markets suggests a relative optimism about the potential for government action. It would be only reasonable to expect, for example, that panels of experts would do better at choosing products than would random chance. Similarly, to address the kinds of concerns raised in Frank and Cook's *Winner-Take-All Society*, the inequalities in incomes that arise in these new-technology markets could be removed harmlessly, since inequalities arise only as a matter of luck in the first place. It does not seem an unimaginable stretch to the conclusion that if the government specifies, in advance, the race and sex of market winners, no harm would be done since the winners in the market would have been a randomly chosen outcome anyway.

Theories of path dependence and their supporting mythology have begun to exert an influence on policy. Last summer, an amicus brief on the Microsoft consent decree used lock-in arguments, including the QWERTY story, and apparently prompted Judge Stanley Sporkin to refuse to ratify the decree. (He was later overturned.) Arguments against Microsoft's ill-fated attempt to acquire Intuit also relied on allegations of lock-in. Carl Shapiro, one of the leading contributors to this literature, recently took a senior position in the antitrust division of the Justice Department. These arguments have even surfaced in presidential politics, when President Clinton began referring to a "winner-take-all society."

Stanford University economist Paul Krugman offered the central claim of this literature boldly and with admirable simplicity: "In QWERTY worlds, markets can't be trusted." The reason that he uses "QWERTY worlds," and not DOS worlds, or VHS worlds, is that the DOS and VHS examples are not very compelling. Almost no one uses DOS anymore, and many video recorder purchasers thought VHS was better than Beta (as it was, in terms of recording time, as we have discussed at length elsewhere).

Path dependence theories show the possibility of market ineptitude within highly stylized theoretical models. But there had better be good supporting examples. The typewriter keyboard appears to be the best example where luck caused an inferior product to defeat a superior product. The story, though charming, is also false.

The theories of path dependence that percolate through the academic literature show the possibility of this form of market ineptitude within the context of highly stylized theoretical models. But before these theories are translated into public policy, there really had better be some good supporting examples. After all, these theories fly in the face of hundreds of years of rapid technological progress. Recently we have seen PCs replace mainframes, computers replace typewriters, fax machines replace the mails for many purposes, DOS replace CP/M, Windows replace DOS, and on and on.

The typewriter keyboard is central to this literature because it appears to be the single best example where luck caused an inferior product to defeat a demonstrably superior product. It is an often repeated story that is generally believed to be true. Interestingly, the typewriter story, though charming, is also false.

The Fable

The operative patent for the typewriter was awarded in 1868 to Christopher Latham Sholes. Sholes and his associates experimented with various keyboard designs, in part to solve the problem of the jamming of the keys. The result of these efforts is the common QWERTY keyboard (named for the letters in the upper left hand row). It is frequently claimed that the keyboard was actually configured to reduce typing speed, since that would have been one way to avoid the jamming of the typewriter.

The rights to the Sholes patent were sold to E. Remington & Sons in early 1873. Remington added further mechanical improvements and began commercial production in late 1873. Other companies arose and produced their own keyboard designs to compete with Remington. Overall sales grew, but slowly.

A watershed event in the received version of the QWERTY story is a typing contest held in Cincinnati on July 25, 1888. Frank McGurrin, a court stenographer from Salt Lake City who was purportedly the only person using touch typing at the time, won a decisive victory over Louis Taub. Taub used the hunt-and-peck method on a Caligraph, a machine with an alternative arrangement of keys. McGurrin's machine, as luck would have it, just happened to be a QWERTY machine.

According to popular history, the event established once and for all that the Remington typewriter, with its QWERTY keyboard, was technically superior. Wilfred Beeching's influential history of the keyboard mentions the Cincinnati contest and attaches great importance to it: "Suddenly, to their horror, it dawned upon both the Remington company and the Caligraph company officials, torn between pride and despair, that whoever won was likely to put the other out of business!" Beeching refers to the contest as having established the Remington machine "once and for all." Since no one else at that time had learned touch typing, owners of alternative keyboards found it impossible to counter the claim that Remington's QWERTY keyboard arrangement was the most efficient.

So, according to this popular telling, McGurrin's fluke choice of the Remington keyboard, a keyboard designed to solve a particular mechanical problem, became the very poor standard used daily by millions of typists.

Fast forward now to 1936, when August Dvorak, a professor at the University of Washington, patented the Dvorak Simplified Keyboard. Dvorak claimed to have experimental evidence that his keyboard provided advantages of greater speed, reduced fatigue, and easier learning. These claims were buttressed when,

during World War II, the U.S. Navy conducted experiments demonstrating that the cost of converting typists to the Dvorak keyboard would be repaid, through increased typing speed, within 10 days from the end of training. Despite these claims, however, the Dvorak keyboard has never found much acceptance.

In many regards this is an ideal example. The dimensions of performance are few, and in these dimensions the Dvorak keyboard appears to be overwhelmingly superior. The failure to choose the Dvorak keyboard certainly seems to demonstrate that something is amiss. On top of all that, it's a charming tale that is easy to tell, and the moral seems easy to find.

Unfortunately, what is amiss here is not the market choice, but the tale itself. The standard telling of this story turns out to be false in almost every important respect.

Tainted Evidence for Dvorak

The belief that the Dvorak keyboard is superior to QWERTY can be traced to a few key sources. A book published by Dvorak and several co-authors in 1936 presented Dvorak's own investigations, which might charitably be called less than objective. Their book has the feel of a late-night television infomercial rather than scientific work. Consider this from their chapter about relative keyboard performance:

"The bare recital to you of a few simple facts should suffice to indict the available spatial pattern that is so complacently entitled the universal [QWERTY] keyboard. Since when was the universe lopsided? The facts will not be stressed, since you may finally surmount most of the ensuing handicaps of this [QWERTY] keyboard. Just enough facts will be paraded to lend you double assurance that for many of the errors that you will inevitably make and for much of the discouraging delay you will experience in longed-for speed gains, you are not to blame. If you grow indignant over the beginner's role of innocent victim, remember that a little emotion heightens determination. Analysis of the present keyboard is so destructive that an improved arrangement is a modern imperative. Isn't it obvious that faster, more accurate, less fatiguing typing can be attained in much less learning time provided a simplified keyboard is taught?" Unfortunately, their statement that they will not stress the facts appears truthful.

Dvorak and his co-authors claimed that their studies established that students learn Dvorak faster than they learn QWERTY. But they compared students of different ages and abilities (for example, students learning Dvorak in grades 7 and 8 at the University of Chicago Lab School were compared with students learning QWERTY in conventional high schools), in different school systems, taking different tests in classes that met for different lengths of time. One doesn't need to be a scientist to realize that such comparisons are not the stuff of controlled experiments. Even in their studies, however, the evidence is mixed as to whether students learning Dvorak retain an advantage, since the differences seemed to diminish as training progressed.

But it is the Navy study that is the basis for the more extravagant claims of Dvorak's advocates. That is the study that supposedly established that the entire retraining cost is recaptured 10 days after the *start* of retraining.

Since several academic authors, including Paul David, have made reference to this Navy study, we assumed it would not be too difficult to find. But when we started to look for it, it seemed to have disappeared from the face of the earth. After trying our own libraries, we tried the Navy Library, the Martin Luther King Library, the Library of Congress, the National Archives, the National Technical Communication Service, and so forth. The librarians were more helpful than we had any right to expect, but the results of their efforts seemed to indicate that we would not find the Navy study.

> The Navy study is the basis for the claims of Dvorak's advocates. But when we looked for it, it seemed to have disappeared. Had any of the modern authors who referred to the Navy study as supporting Dvorak's keyboard ever actually read it? The 1944 Navy experiment was conducted by Dvorak himself.

Had any of the modern authors who referred to the Navy study as supporting Dvorak's keyboard ever actually read it? This appears to be one of those cases in which one author relies on another's account, who in turn is relying on another's, and so on, without any of them reading the original. Yet the Navy study is a primary source of many of the claims for the Dvorak keyboard. This is certainly not a high watermark in scholarship.

We had about given up hope when we located a copy of the study held by an organization called Dvorak International, headquartered in the attic of a farmhouse in Vermont. The report does not list the authors. The report's foreword states that two prior experiments had been conducted but that "the first two groups were not truly fair tests." This certainly raised our suspicions. Might those earlier tests have been ignored because the results were inconsistent with the results the authors desired? This suspicion was later reinforced when we read about a 1953 study for the Australian Post Office. In the early phases of the Australian study, the experiments showed no advantages for Dvorak. But then adjustments were made in the test procedure to "remove psychological impediments to superior performance." We can only guess how the proponents of the Dvorak keyboard, who conducted the experiments, might have removed those nasty impediments.

As to the experimental design of the Navy study, we can only state that if the experimental controls seemed bad in the early studies authored by Dvorak and his associates, the Navy study seems even worse.

First, 14 Navy typists were retrained on *newly overhauled* Dvorak typewriters for two hours a day. We are not told how the typists were chosen, although we are told that they had initial typing speeds of 32 words per minute, well below the Navy's standard of competence. Yet in spite of their poor typing skills, the typists had IQs only two points below average and dexterity skills 15 points above average. Based on these abilities, this group of typists should have been expected to type at far above minimal competency. After completing 83 hours on the new keyboard, we are told that the typing speed for this group had increased to an average of 56 net words per minute, a 75 percent increase.

A second part of the experiment consisted of the *retraining* of 18 typists on the QWERTY keyboard. These typists reported a 28 percent increase in typing speed from their initial speed of 29 words a minute.

Although this evidence looks like a slam-dunk for Dvorak, it is not.

First, it is not clear how the QWERTY typists were picked, or even if members of this group were aware that they were part of an experiment. The participants' IQs and dexterity skills are not reported for the QWERTY retraining group. Were their abysmal typing scores surprising, given their inherent abilities? It is difficult to have any sense whether this group is a reasonable control for the first group. Nor do we know if the QWERTY typewriters were newly overhauled. Nor do we know who retrained these typists.

Even worse, there is clear evidence that the results were altered through a series of inappropriate data manipulations. For example, the initial typing scores for the QWERTY typists were measured differently from the initial scores of the Dvorak typists so as to greatly disadvantage the QWERTY results. The report states that, because three typists in the QWERTY group had initial net scores of zero words per minute (!), the beginning and ending speeds were calculated as the average of the first four typing tests and the average of the last four typing tests. This has the effect of raising the measured initial typing speed, and lowering the measured ending speed. In contrast, the initial experiment using Dvorak simply used the first and last test scores. Using numbers reported in the footnotes of the report, we were able to calculate that this truncation of the reported values at the beginning of the test reduced the measured increase in typing speed on the QWERTY keyboard by almost half. The effect of the truncation at the end of the measuring period also decreases the reported gains for the QWERTY typists, though the size of this distortion cannot be determined from the report. The important thing, however, is that the numbers appear to be cooked in favor of Dvorak.

How can we take seriously a study which so blatantly seems to be stacking the deck in favor of Dvorak? And, indeed, there appears to have been good reason for that deck stacking.

We discovered that the Navy's top expert in the analysis of time and motion studies during World War II was none other than...drum roll please...Lieut. Com. August Dvorak. Earle Strong, a professor at Pennsylvania State University and a one-time chairman of the Office Machine Section of the American Standards Association, reports that the 1944 Navy experiment was conducted by Dvorak himself. Strong was heavily involved with these issues. He was the author of a key test of the typewriter keyboard commissioned by the General Services Administration.

As if the potential for bias were not great enough, we also discovered that Dvorak had a financial stake in this keyboard. He not only owned the patent on the keyboard but had received at least $130,000 from the Carnegie Commission for Education for the studies performed while he was at the University of Washington, a rather stupendous sum for the time.

Of course, the purported Navy results, if true, would be quite remarkable. After those first 10 days in which the investment is made and recovered, the faster typing continues every working day in the life of the typist. This would imply that the investment in retraining repays itself at least 23 times in one year. Does it seem even remotely possible that employers with large typing pools would turn down investments with returns of 2,200 percent a year?

> In the 1880s a manufacturer could use an alternative keyboard, since standards were not established. A keyboard that allowed rapid training and faster typing should have done well. Typing competitions were common. The Cincinnati contest that supposedly clinched QWERTY's victory was not the rare event claimed.

Evidence Against Dvorak

Naturally, these false results were going to get found out. As many businesses and government agencies contemplated changing keyboards in the mid 1950s, the General Services Administration commissioned Strong's study to confirm the earlier results. This study provides the most compelling evidence against the Dvorak keyboard. It was a carefully controlled experiment designed to examine the costs and benefits of switching to Dvorak. It unreservedly concluded that retraining typists on Dvorak was inferior to retraining on QWERTY.

In the first phase of the experiment, 10 government typists were retrained on the Dvorak keyboard. It took well over 25 days of four-hour-a-day training for these typists to catch up to their old QWERTY speeds. (Compare this to the Navy study's results.) When the typists had finally caught up to their old speeds, the second phase of the experiment began. The newly trained Dvorak typists continued training and a group of 10 QWERTY typists (matched in skill to the Dvorak typists) began a parallel program to improve their skills. In this second phase the Dvorak typists progressed less quickly with further Dvorak training than did QWERTY typists training on QWERTY keyboards. Thus Strong

concluded that Dvorak training would never be able to amortize its costs. He recommended instead that the government provide further training in the QWERTY keyboard for QWERTY typists.

The GSA study attempted to control carefully for the abilities and treatments of the two groups. The study design directly paralleled the decision that a real firm or a real government agency might face: Is it worthwhile to retrain its present typists? If Strong's study is correct, it is not efficient for current typists to switch to Dvorak. The study also implied that the eventual typing speed would be greater with QWERTY than with Dvorak, although this conclusion was not emphasized.

Much of the other evidence that has been used to support Dvorak's superiority actually can be used to make a case against Dvorak. We have the 1953 Australian Post Office study already mentioned, which needed to remove psychological impediments to superior performance. A 1973 study based on six typists at Western Electric found that after 104 hours of training on Dvorak, typists were 2.6 percent faster than they had been on QWERTY. Similarly, a 1978 study at Oregon State University indicated that after 100 hours of training, typists were up to 97.6 percent of their old QWERTY speed. Both of these retraining times are similar to those reported by Strong but not to those in the Navy study. But unlike Strong's study neither of these studies included parallel retraining on QWERTY keyboards. As Strong points out, even experienced QWERTY typists increase their speed on QWERTY if they are given additional training.

Ergonomic studies also confirm that the advantages of Dvorak are either small or nonexistent. For example, A. Miller and J.C. Thomas, two researchers at the IBM Research Laboratory, writing in the *International Journal of Man-Machine Studies*, conclude that "no alternative has shown a realistically significant advantage over the QWERTY for general purpose typing." Other studies based on analysis of hand-and-finger motions find differences of only a few percentage points between Dvorak and QWERTY. The consistent finding in ergonomic studies is that the results imply no clear advantage for Dvorak, and certainly no advantage of the magnitude that is so often claimed.

> Further evidence of QWERTY's viability lies in its survival throughout the world. What's more, the advent of computer keyboards, which can easily be reprogrammed to any configuration, lowers the cost of converting to Dvorak to essentially zero. Yet few computer users have adopted to Dvorak's keyboard.

QWERTY's Competition

Remington's early commercial rivals were numerous, offered substantial variations on the typewriter, and in some cases enjoyed moderate success. This should come as no surprise. Entrepreneurs in the late 19th century would have realized that the typewriter market was potentially vast, in the same way that Netscape, AT&T, and Microsoft are drooling over the potential of the Internet at the end of the 20th century.

The largest and most important QWERTY rivals were the Hall, Caligraph, and Crandall machines, which sold in relatively large numbers. Two other manufacturers offered their own versions of an ideal keyboard: Hammond in 1893 and Blickensderfer in 1889. Many of these companies went on to success in the typewriter market, although, in the end, they all produced QWERTY keyboards. So manufacturing prowess was not a problem for QWERTY's rivals.

In the 1880s and 1890s typewriters were generally sold to offices not already staffed with typists. Potential typists were learning to type from scratch. A manufacturer that chose to compete using an alternative keyboard had a window of opportunity, since standards were not yet established. As late as 1923, typewriter manufacturers operated placement services for typists and were an important source of typists to businesses. A keyboard that allowed more rapid training and faster typing should have done well. And switching old typewriters to a new keyboard was not particularly expensive—only $5.00 for resoldering in the 1930s.

There were also direct tests of these competing keyboards. Typing competitions, it turns out, were quite common in the late 1800s. The Cincinnati contest was not the rare event claimed by Beeching, and McGurrin was not the world's only touch typist. Once again, the facts have been twisted to make a better tale. We did a search in *The New York Times* in 1888 and 1889. We found numerous typing contests and demonstrations of speed involving many different machines, with various manufacturers claiming to hold the speed record.

In February 1889, under the headline "Wonderful Typing," *The New York Times* reported on a typing demonstration given the previous day in Brooklyn by Thomas Osborne of Rochester, New York. The *Times* reported that Osborne "holds the championship for fast typing, having accomplished 126 words a minute at Toronto August 13 last." In the Brooklyn demonstration he typed 142 words per minute in a five-minute test, 179 words per minute in a single minute, and 198 words per minute for 30 seconds. He was accompanied by George McBride, who typed 129 words per minute blindfolded. Both men used the non-QWERTY Caligraph machine.

The *Times* offered that "the Caligraph people have chosen a very pleasant and effective way of proving not only the superior speed of their machine, but the falsity of reports widely published that writing blindfolded was not feasible on that instrument." Note that this was just months after McGurrin's Cincinnati victory.

There were other contests and a good number of victories for McGurrin and Remington. On August 2, 1888, just weeks after

the Cincinnati contest, the *Times* reported a New York contest won by McGurrin with a speed of 95.8 words per minute in a five-minute dictation. In light of the received history, according to which McGurrin is the only person to have memorized the keyboard, it is interesting to note the strong performance of his rivals. May Orr typed 95.2 words per minute, and M.C. Grant typed 93.8 words per minute. Again, on January 9, 1889, the *Times* reported a McGurrin victory under the headline "Remington Still Leads the List."

Clearly, typists other than McGurrin could touch type, and machines other than Remington were competitive. These events have largely been ignored. But if we are interested in whether the QWERTY keyboard's existence can be attributed to more than happenstance or an inventor's whim, these events are crucial. The other keyboards did compete. They just couldn't surpass QWERTY. So we cannot attribute the success of the QWERTY keyboard either to a lack of alternatives or to the chance association of this keyboard arrangement with the only touch typist or the only mechanically adequate typewriter.

There is further evidence of QWERTY's viability in its survival throughout the world. As typing moved to countries outside the United States, any QWERTY momentum could have been only a minor influence, yet the basic configuration has been adopted with only minor variations in virtually all countries with similar alphabets. What's more, the advent of computer keyboards, which can easily be reprogrammed to any configuration, lowers the cost of converting to Dvorak to essentially zero (not counting retraining). Yet few computer users have adopted the Dvorak keyboard.

Epilogue

The vitality of markets is that they allow competing alternatives to demonstrate their capabilities. The primary players in this drama are entrepreneurs, a group largely missing from the economic theories that claim to establish the potential for this new kind of market failure. These game-theory models limit firms to an artificially narrow choice of actions, while actual entrepreneurs look for ways to overcome supposed "lock-in." In theory, for instance, there's no such thing as a training course. Entrepreneurs, as we have argued in other writings, are the ones who will bring about the demise of an inefficient standard. Producers of alternative keyboards were motivated to cash in on the success allowed in a market-based economy. That they failed suggests that the non-QWERTY arrangements held no real advantage.

The QWERTY keyboard cannot be said to constitute evidence of any systematic tendency for markets to err. Very simply, no competing keyboard has offered enough advantage to warrant a change. The story of Dvorak's superiority is a myth or, perhaps more properly, a hoax.

In April 1990, we published a more detailed version of this material in a *Journal of Law and Economics* article titled "The Fable of the Keys." This journal is well known and has published some of the most influential articles in economics. In the six years since we published that article there has been no attempt to refute any of our factual claims, to discredit the GSA study, or to resurrect the Navy study. Unless some new evidence is produced to support a claim of QWERTY's inferiority to Dvorak, how can it even be said that there are two sides to a legitimate scientific disagreement over the keyboard?

> Since we first exposed the QWERTY myth there has been no attempt to refute any of our factual claims. Yet the myth continues to be cited as if it were the truth. The Citation Index for the first two-thirds of 1995 shows 25 citations. If academics keep using a false example, authors of popular articles can hardly be held to higher standards.

Yet the QWERTY myth continues to be cited as if it were the truth. Krugman's book has a 1994 copyright. Frank and Cook's copyright is 1995. In a 1992 article in *Industrial and Corporate Change*, Paul David cites the QWERTY example, as do Michael Katz and Carl Shapiro in their Spring 1994 article in the *Journal of Economic Perspectives*.

In a 1995 article on chaos theory, Michael Schermer goes on at length about the need for examples of path dependence. With that, he devotes an entire section, titled "The QWERTY Principle of History," to repeating the myth of Dvorak superiority. The *Social Science Citation Index* for 1994 shows a total of 28 citations to Paul David's 1985 *American Economic Review* article presenting the QWERTY myth (the very large majority of these are uncritical uses of the QWERTY story). And there is no sign of abatement. The Citation Index for the first two-thirds of 1995, which is all that is available as of this writing, shows 25 citations. If academics keep using a false example, authors of popular articles can hardly be held to higher standards of scholarship.

Apparently the theory of path dependence and lock-in to inferior technologies is in trouble without the QWERTY example. Apparently the cost of giving up this example is greater than the discomfort associated with its illegitimate use. Apparently the typewriter example is of such importance to many writers because it can so easily persuade people that an interventionist technology policy is necessary. How else to explain its continued use in this literature? Since an interventionist technology policy is no more likely to benefit consumers than are the myriad other government interventions in the market, we should not be surprised that good examples are largely fictional. ®

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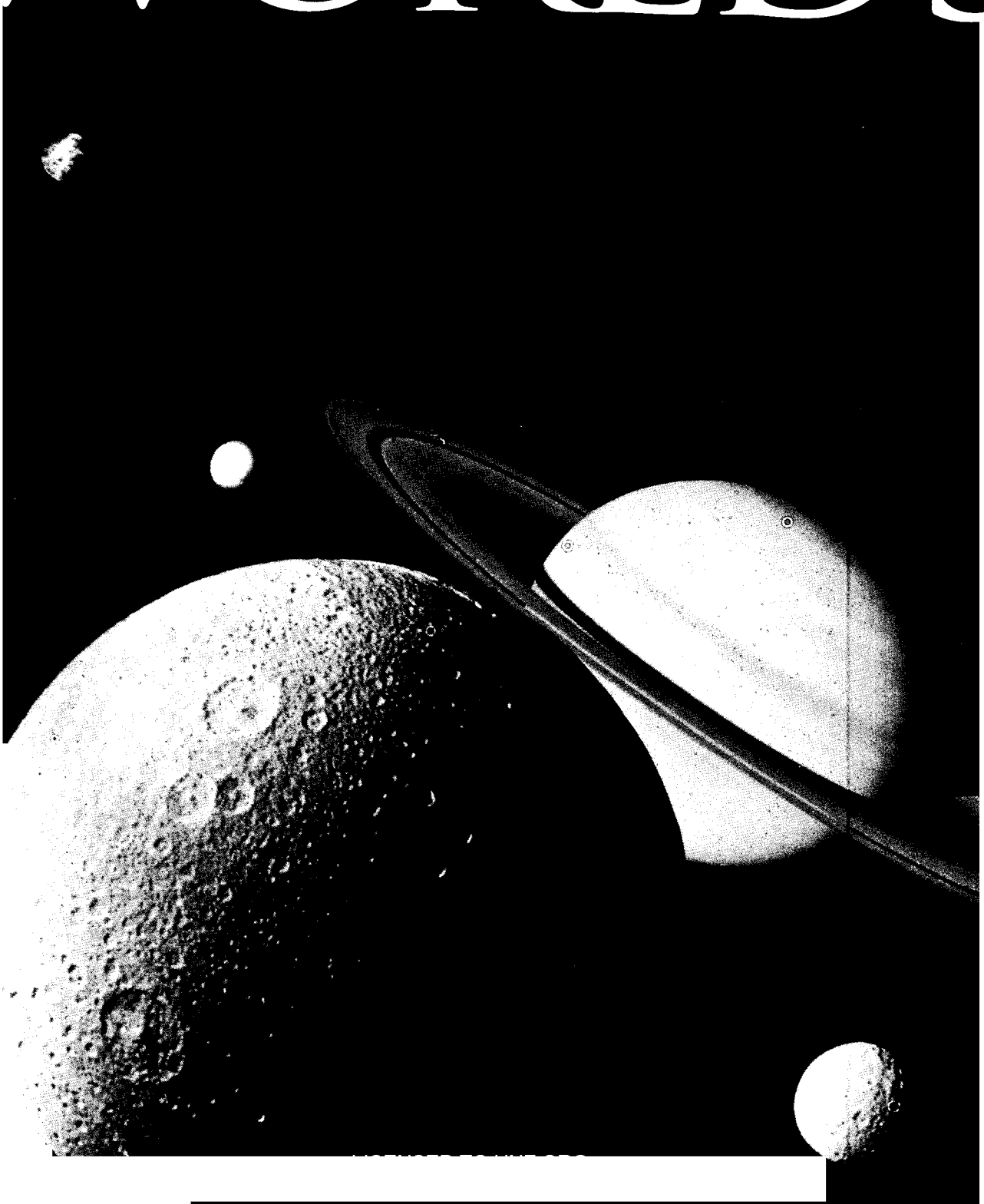
WORLDS



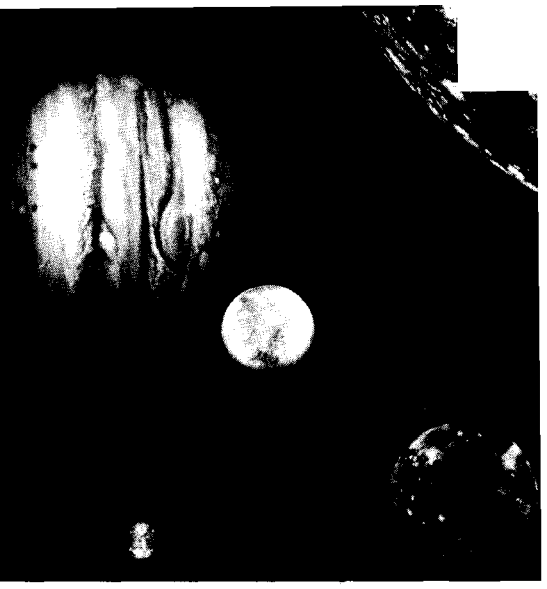
WITHOUT ENDS

What's the point of going into space? The answer lies in a future economy based on "charm."

By Frederick Turner

The disappointing progress of the U.S. space program was not primarily the result of the technical difficulties it faced, nor the dangers to which we were alerted by the Challenger disaster, nor its great expense, nor the sense that there were pressing social and ecological problems to be solved at home, nor the fact that the leaders of the program were World War II–era people with World War II attitudes and style who had not replaced themselves with fresh blood. All these were factors, certainly, but they are symptoms of a larger problem: We will only begin to develop a truly spacefaring civilization when we feel it is in our inter-

The technologies of data storage, management, and retrieval will perfect and miniaturize and cheapen and streamline themselves almost out of existence like their predecessors, farms and factories. This will happen much faster than the rise and decline of manufacturing, just as the manufacturing age happened faster than the agricultural age.



there there. One goes through it to get someplace where one has business or pleasure. Space is a whole bunch of nothing. Of course there are things and places on the other side of space, but they turned out to be just exactly the kind of things and places one would try hard to avoid if they were down here on Earth—baking hot or freezing cold or poisonous or totally barren—just plain miserable.

Movies, of course, imagined these places inhabited by sweaty miners or oppressed factory workers or heroic warriors or ascetic scientists, who are about the only people who for practical reasons go willingly to such places on Earth. But it is hard to imagine anything worth the transportation costs into and out of the Earth's gravity well; one mines and manufactures to be able to afford the luxury of going into space, one does not go into space to afford the luxury of mining and manufacturing. There is valuable information to be gained out there, but it can be obtained efficiently by robots, which is not the same as actually being there.

But certainly if we wanted we could, by the '90s, have gone to all the places in the solar system and done all the things that we expected to in the '50s. If we had as a planet committed to a consistent space effort the kind of resources we committed to World War II, we could have colonies on the Jovian moons by now and be working on interstellar flight. If we had just had enemies out there, we would have a splendid space program. Now we don't even have the Russians.

Maybe, however, we don't need Russians, or their equivalent (an Eldorado, an opulent Indies, a mine of information). Postwar generations of space thinkers have proposed a different goal for space exploration from the old ones of mining, industrial profit, war, or science. What is suggested is that livable worlds can be built, created, out of those extraterrestrial wildernesses. Ecopoiesis (the introduction of freestanding and proliferating life into a lifeless environment) and terraforming (the further project of creating an environment hospitable to human beings and other earthly animals) offer a much wider field of possible interests than do traditional visions of space exploration.

Yet the prospects here, too, are not promising on the surface. We had better face it. No Antarctic waste, no arid desert or barren mountaintop or volcanic inferno or abyssal ocean trench on Earth is more hostile to life than the most benign microclimate anywhere else in the solar system. So far so bad, as far as the case for space exploration is concerned. But this is not the end of the story. With terraforming and ecopoiesis we are beginning to enter mental territory where the glimmer of possible human interests might begin to show.

One key issue is what constitutes a human "interest" and, even more important, how human interests will change during the coming era in which planetary engineering will become feasible. The first European explorers of the Americas in fact misunderstood their own interests: They were looking for precious metals (which, though abundant, were never as plentiful as their seekers wished) when the real riches of the New World were the great pre-Columbian food and stimulant crops, and the fertile land and rich base metal resources of the western continents.

The gold and silver brought back by the Spanish monarchy had the complex economic effect of impoverishing and depopulating Spain and enriching its enemies, England and Holland. In Iberia profitable farming, with the dense population it supports, was priced out of the social market, to be replaced by flocks of voracious goats that ate the vegetation, damaged the soil, and dried out the climate. Bankers along the Rhine, the Danube, the Po, and the coasts of the North Sea and Baltic grew rich on high-interest loans taken out by Hapsburg monarchs to finance the defenses of their far-flung empires; the accumulation of capital fueled the Northern European industrial revolution, whose raw materials were the mundane bulk commodities the Hidalgos had scorned. The true beneficiaries of the Columbian discovery were not the aristocrats, sailors, and warriors but the farmers and planters who followed them, and the businessmen and industrial entrepreneurs who followed *them*.

The basic wealth of feudal aristocrats, what they correctly perceive it in their interest to possess, is land with an established peasant population. The way to obtain this wealth is by conquest or marriage, and the pool of such wealth is limited. One warlord's gain is another's loss: There is an unchanging pie to be divided according to the courage, intelligence, charisma, and luck of the individual. The secondary wealth of such leaders consists of portable works of precious metals and other rare durable materials,

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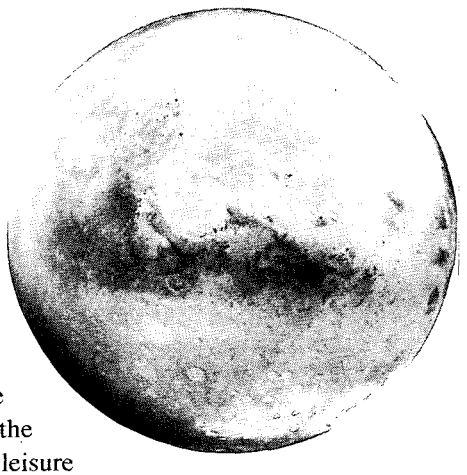
embodying fine craftsmanship—objects that can alleviate the drabness of a subsistence economy, that can symbolize the magical powers of command and education at the disposal of the elite, that can be given as rewards for service to a faithful thane or samurai, and that can honor the God of Christendom (or the mandate of Heaven, or the pyramid of Tlaloc). It is such goods that the conquistadors were seeking; but at the moment they found them, the game changed, the pie started to get bigger, wealth changed its colors, other currencies began to harden. Free farmers could get more out of the soil than could serfs; traders could multiply the local value of things by the alchemy of the market; craftsmen could leverage production upward by new technologies; city republics could bankrupt counts and dukes. The very meaning of America, as a resource and as a set of interests, changed as the European conquest proceeded.

Thus, if we are to get an accurate picture of the potential wealth to be gained from the solar system, we must recognize the successive waves of economic energy through which our present civilization is passing, the paradigm shifts that change the nature of wealth and the interests that drive human effort. A modern economy is not like the old notion of a balanced ecology, in which every species occupies its own fixed niche and a mysterious set of feedbacks preserves a homeostatic harmony among them. Instead, it is much more like the present model of ecological succession, where clusters of species rise, replace their predecessors at the top of the food chain, and are demoted, giving way to others. The very shape and identity of the ecological niches undergo continuous, irreversible metamorphosis. We live in a world of economic transvaluation, in which each wave reaches and passes its point of maximum capital flow, employment, and cultural influence, to be succeeded by a further wave. Obsolescence disrupts people's lives, and at the same time society as a whole becomes—erratically but inevitably—richer and more full of opportunities for those willing to use them. As each new wave comes along, the disparities in wealth between the rich and the poor first increase, and then decrease, leaving the average person with much more disposable income than before.

Two hundred years ago America was an agrarian nation in which 90 percent of the people worked on farms and 90 percent of the capital commitment and cultural energy went into agriculture. Prices were relatively high enough, and the production system labor-intensive enough, to support a large rural population. Wealth was widely distributed, reinforcing the American political ethic of equality that de Tocqueville celebrated. Then, with the introduction of such devices as the cotton gin and the combine harvester, the cost of production dropped rapidly, prices collapsed, production sharply increased, the number of workers needed fell sharply, and, after an initial increase in investment for mechanization, the capital requirements for farming relative to the rest of the economy went into steady decline.

Rural unemployment sent thousands of jobless farmers out on the roads. Farming simply bulked less large in the nation's economy, society, and culture. It took up a smaller share of its interests. Today perhaps 2 percent of our national treasure and work goes into farming. One odd little counter-trend, however, may be significant: There is an increasing number of gentleman and lady farmers, freed from more pressing economic necessities, who have taken up ranching or planted gardens or bought vineyards for the sheer joy of doing so. Like aristocrats of an earlier agricultural era, who hunted, rode, bred animals, sailed, or fished, preserving in their leisure the ancient work patterns of the hunter-gatherer past, the new leisure classes have rediscovered as a pleasure and spiritual recreation what was once the drudgery of survival.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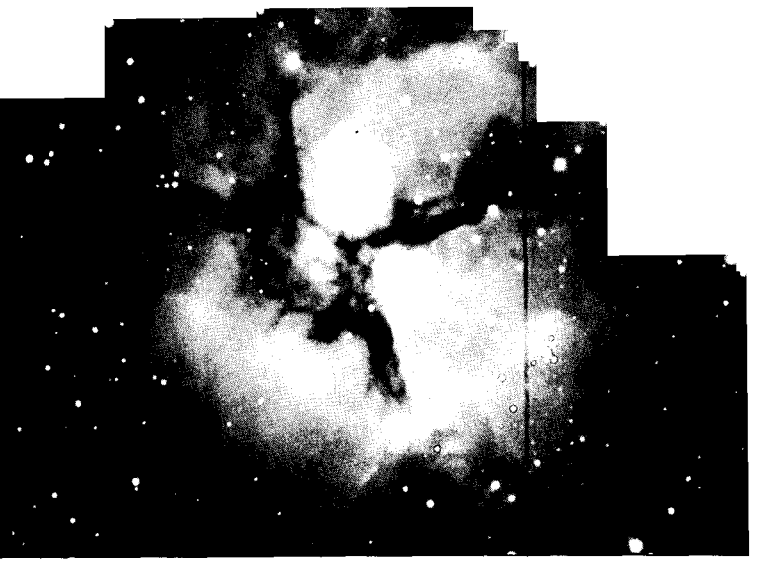
It is already clear that what happened to farming is now happening to the extractive and manufacturing sectors. In the developed countries manufacturing employment and capital investment rose until it tied up about 90 percent of the available labor, capital, and cultural energy. At first, huge fortunes were made. Then wealth became widely shared; the essential and collectively powerful assembly line workers could ask a decent fraction of the earnings of their masters. Then automation, robotics, computer-assisted design and manufacturing, materials science, miniaturization, just-in-time inventory techniques, discount retailing, and global competition created successive leaps in efficiency—cutting costs, prices, and labor requirements, increasing volume, and maximizing the utility and durability of the product.

Manufacturing, like farming, became more capital intensive and less labor intensive. Marx's 19th-century proletariat withered away. Unemployed industrial workers crowded the decaying inner cities. The rust belt succeeded the dust bowl, and we are now reaching the point where the capital requirements for manufacturing are likewise dropping—until, perhaps, they will be no more than the 2 percent or so we need for farming. The amounts of money to be made out of manufacturing are also shrinking, and thus the amount of the world's interests tied up in it. Finally, perhaps, a few dozen biotech/nanotech factories, with some bored troubleshooters and elite staffs of artsy, temperamental designers and marketers, will make all the world's necessary stuff. We may even, in what will appear to be a decadent and deplorable cultural development, create gentleman factories, like our present dude ranches, to provide the old thrills of heroic industrialism. The present vogues for furniture making and home improvement may already be examples of this trend.

So far this is a familiar story. According to its script the third wave, the information age, is upon us, the golden dawn upon the economic horizon. However, it takes a little more imagination to see that the same thing will happen to the information industries, currently ascendant, that happened to the farms and factories. There is no reason why the technologies of data storage, management, and retrieval should not perfect and miniaturize and cheapen and streamline themselves almost out of existence like their predecessors. If the historical analogy holds, employment, investment, and cultural commitment in the

New planetary habitats offer enormous amounts of empty space and huge quantities of empty time. But emptiness is not enough. What the dream of terraforming also offers is a project whose grandeur equals or surpasses every previous aspiration of the human species. The combination will eventually be irresistible. It will be the last reliable source of economic wealth.



information industries will rise to about 90 percent of the given resources. At first huge fortunes will be made; then, as the labor demand rises, economic equality will increase; there will follow the predictable collapse of the labor market as the information industries become more and more cost efficient, smaller and smaller on the world's horizon, less and less labor intensive, and finally less capital hungry and less profitable, leaving a few cash cows providing all the world's needs.

Eventually their operation will take up 2 percent of our money and our people. Hordes of information workers will be turned out on the streets, asking the employed if they can spare a dime. Moreover all this will happen much faster than the rise and decline of manufacturing, just as the manufacturing age happened faster than the agricultural age. Everything is getting faster and faster. Information resources will be virtually invisible, at our mental fingertips, perhaps even wired into us by neural/cybernetic interfaces, activated by an unconscious movement of the will as are our own brains—as natural, cheap, and convenient as a hammer. Will we then create clunky antique data devices, requiring programming and the memorization of command codes, for the leisured and the nostalgic?

But for those who believe we should become a spacefaring civilization, the great question that arises from this review of economic succession must surely be: Which of these economic paradigms will best support space travel? The agricultural model, despite such appealing visions as Robert Heinlein's hardy wagon-train pioneers, is clearly by itself insufficient. Oddly enough, the human race does not need more cultivatable land; in countries where farm production is rising the most, the proportion of land given over to it is decreasing.

The industrial paradigm is not much more promising. A space program based on an industrial manufacturing model will be a bigger and bigger fish, and a hungrier and hungrier one, in a pond that is shrinking and drying up. We may never build the gigantic space hangars, with their banks of tiny windows and huge, half-obliterated identification numbers, the enormous space-cruisers with their turrets and flying bridges, that we see in our science fiction movies—the iconography of the foundry and the drill rig and the aircraft carrier transferred to space.

Two hundred years from now such images may seem as quaint as Edward Bellamy's science fiction cities of the 19th century, with their skies packed with airships sporting baroque gondolas full of men in top hats and ladies in crinolines. Our spaceships may actually look like inside-out trees or jellyfish. Or we may not even use spaceships as such to get from one place in the universe to another, but something more like a photographic studio or an X-ray machine. There is no reason why we will need huge edifices made out of riveted plates of metal. If we are essentially *growing* our machines and appliances ad hoc as we need them, and re-dissolving them when we want them out of the way, and if their shapes are customized perfectly to the task at hand and to human aesthetics, our devices will probably look like plants or animals or exquisite little works of art. If, as is already happening, much of the technology comes to be in the hands of individuals rather than vast state organizations or centralized corporations, our collective works may be more like hives or coral reefs or village markets than like the totalitarian one-vision, one-use monuments of the Bauhaus and the Capitol. And all of this is not in the remote future, but just around the corner.

For a while a space program based on the information industries—one in which we go into space to hunt out valuable data or in pursuit of the raw materials of hardware and software—will flourish, but its possibilities are strictly limited. The largest pool of important information in the known universe is right here on our planet; it is thus no coincidence that by far the largest commitment in our space program is to devices designed to look at, or direct messages to and from, the Earth. If we, and our living companions, were to go to other parts of the universe, then they would become valuable as information. But we have to get there first, and we can't afford to; the cash flow and amortization problems would be insoluble.

Of course, if we discover alien civilizations, then everything changes. We would then need centuries of highly lucrative scholarship and cybernetics to process the gigantic wealth of knowledge that would flow from such a discovery, and the information industries would be in the delightful situation of having simultaneously a glut of raw materials and an endless consumer demand. Space travel might flourish, on a pay-as-you-go basis. But the last few years of the search for extraterrestrial intelligence have presented us with a single

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massively important and dispiriting piece of negative information: Against all our expectations, the galaxy seems to be silent of technological civilization, at least of anything that might use electromagnetic waves for communication. Closer to home, within our own solar system, we are almost certainly alone. There is more going on in a single earthly forest or village than on the whole of Mercury or Venus—more surprises, more unprecedented and unpredictable events, more emerging structures of information. The information-industry model of wealth creation will not take us into space, any more than the manufacturing model will.

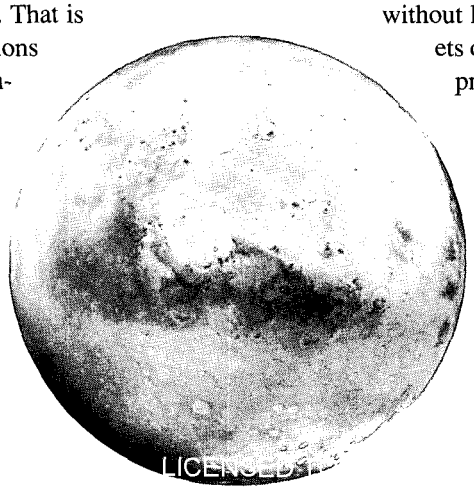
But perhaps there is another model, one that will succeed the knowledge industries. An economic wave or paradigm loses its hold on a civilization not because of inefficiency but because of efficiency. Earlier waves of economic activity are not suppressed by succeeding waves. The reason there are so few farmers in the United States and so little money tied up in farming, when once 90 percent of the nation was agrarian, is not the failure of farming but its astonishing success: Farming now needs only a tiny fraction of the country's human and economic resources to supply more than enough foodstuffs and raw materials.

Finally, we will be left with the irreducibly labor- and capital-intensive human industries of what we might call "charm": tourism, education, entertainment, adventure, religion, sport, fashion, art, history, movies, ritual, personal development, politics, the eternal soap opera of relationships. Once the world's wages have leveled up to those of the developed countries, a process already well in train, the service industries will begin to starve for labor, and be forced to raise their pay scales. At the same time the job descriptions, and the actual content, of service employment will begin to approximate those of artists, entertainers, educators, and sports professionals. One can already see this process at work in the restaurant industry in such wealthy cities as Dallas, New York, Phoenix, or Los Angeles: Good waiters, sommeliers, and cooks are wooed and tempted by rival establishments, and each evening is conceived as a little work of art.

Given a cheap and effortless supply of materials, manufactures, and information, which will be on hand in a few decades if this scenario of economic evolution is plausible, the chief natural resources required for these new charm industries will be empty space and empty time. The rich, who since the Renaissance have lived as the rest of the world will try to live a few decades later, and are thus the harbingers of the future, have always valued empty space and empty time. That is why they buy land and build mansions in the country, and why they hire managers and secretaries to handle their deadlines. Often they are quite frugal in their consumption habits, not out of affectation but in the pursuit of a more refined joy in the experience of life.

The arts and pleasures of the charm industries take up time and space; they also paradoxically increase both time and space by their magical powers of illusion, delay, inner articulation, and concentrated attention. But time and space, with the present buildup of physical, temporal, and cultural waste product on our planet, are becoming increasingly scarce and increasingly at a premium. We are swamped by mountains of junk information, junk production, junk cultural overflow. We will be prepared to pay top dollar for silence, horizons, the threat and presence of death, the strange and mystical experience of uneventful time. Japanese Heian princes, with all the resources of a rich civilization open to them, sought the exquisite boredom of glacially slow Noh drama and court music. American and European millionaires outfit one-man ocean-going yachts and, on the fine edge of loneliness, terror, and tedium, sail round the world. Our civilization as a whole will seek out the ultraviolet-ravaged red wastes of Mars, the voiceless empty grandeur of the Jovian moons.

New planetary habitats obviously offer enormous amounts of empty space. Less obviously, they also offer huge quantities of empty time. Outer space has an inexhaustible resource, which is temporal separation from the home planet. Nobody on Mars can have a phone conversation with anyone on Earth, because the light that carries the message takes time to get from place to place, and even a one-minute time lag puts a gap between two people almost as great as the grave: Mars is at least three minutes away, and sometimes as much as 20. The times of Mars and Ganymede are empty of Earthly chatter and Earthly information overload. The relativistic time-separation from Earth of even the closest planets imposes an impenetrable barrier of privacy, and creates huge unexploited temporal niches for the coming charm industries. The tragic existential choices that faced emigrants to the New World, and that made possible their creation of new societies and new alternatives for the human race, will once again be possible.

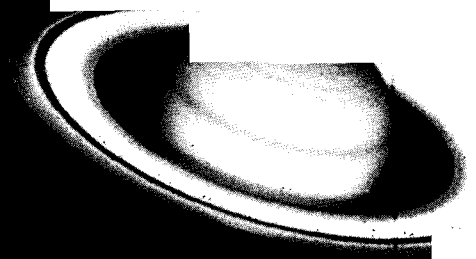


The other worlds of space offer empty time in another sense. When you are sailing, or horseback riding, or gardening, or training an animal (as my friend Steven Bodio points out), you must adapt to the rhythms of the rest of nature. Survival tasks take a lot of time, but most of that time is spent attentively waiting. If you try to hurry a boat, a horse, or a plant, you will come to grief. Human beings, however, especially when armed with timesaving devices like fax machines, telephones, e-mail, copiers, and computers, can, it seems, hurry each other up without limit, to the point of catastrophic stress. The planets offer us places to slow down, precisely because the processes we will require to stay alive—and to transform those hostile environments into Arcadia—take so much empty time.

But emptiness is not enough. What the dream of ecopoiesis and terraforming also offers is a project whose grandeur equals or surpasses every previous aspiration of the human species. The combination will eventually be irresistible. It will be the last reliable source of economic wealth.

Tourism is already the world's largest industry,

When we are all able to dispose of resources equivalent to those of a present-day aristocrat, we will all want to do the equivalent of hunting, sailing, fishing, gardening. We will all want to relive the wild adventure of the Amerindians working their way down a brand-new continent. We will never again need theme parks; new planets will satisfy every need.



but tourism is only a pale shadow of what its seekers desire: the chance to make history, to be true explorers, naturalists in a new world, anthropologists of a never-before-encountered civilization. More epoch-making than the first winged flight would be the first created planetary atmosphere where human beings might fly under their own power. More splendid than any ocean voyage is the colossal task of filling a new ocean. More scientifically bold than any naturalist's exploration is the creation of a new ecosystem. More daring than any big game hunt is the introduction of genetically adapted wildlife where once no life existed.

When we are all able to dispose of resources equivalent to those of a present-day aristocrat, we will all want to do the equivalent of hunting, sailing, fishing, gardening. We will all want to relive the wild adventure of the Amerindians working their way down a brand-new continent, the Polynesians feeling their way across the Pacific, the Bantu conquering southern Africa, the Europeans carving out colonial empires. We will never again need theme parks; new planets will satisfy every need that the theme park unsuccessfully tries to meet, and Old Earth will take on instantly a pathos and preciousness it never had for us before by contrast with the terrors of our grand adventure.

Thus we will rediscover the wild again in the almost insuperably hostile plains and mountains of Mars. No longer alienated from reality, we will feel its gritty pressure as we struggle against the hostile terrain. We will be making history there, for there is all the history in a world to make. The mother planet, already beginning to be a boxed-in little place for the more spiritually enterprising, and a prison for our useless young men, will gain a new kind of magic as our home and alma mater.

Who will make all this happen? Not, perhaps, the nation state; it is doubtful that the state as an institution will ever again command the kind of loyalties and commitments and moral prestige that gave us World War I, the Grand Coulee Dam, the defense of Stalingrad, the Holocaust, and the Apollo program. It will be corporations that will go into space, but not, surely, corporations like industrial General Motors or information-based Microsoft. Charm industry corporations will be more like exclusive safari adventure outfits, theater companies, churches, movie studios, art workshops, literary publishers, sports clubs, resort hotels, restaurants.

Eventually it may even be families and individuals who go up there. The technology they will use will be a combination of the almost unimaginable with the familiar: biotech and nanotech to supply the manufacturing base, traditional aeronautics to get us out of Earth's gravity well, human bioengineering to alter our bodies to suit other planets, architecture and theater design to create bearable living conditions, materials science (especially intelligent materials), artificial intelligence, horticulture, self-replicating robots, genetically tailored and trained domestic animals. The keys will be financial cheapness (mainly keeping down labor costs through the recruitment of wealthy volunteers and hobbyists), the use of local materials, improvisation in a technologically fail-safe context, the adaptation of humans to the environment, and the identification of existing far-from-equilibrium energy systems in the solar system that can be tweaked with little effort to create big changes.

More important than the technology, though, will be the artistic insight and economy that will tie it all together and sell it to the public. I have spelled out how all this might work in my epic poem *Genesis*, and more scholarly treatments may be found in the work of such scientists as Robert Haynes, Christopher McKay, Robert Zubrin, Freeman Dyson, Carl Sagan, and Martyn Fogg.

Apologists for space exploration have often added to their list of practical reasons to go to space a half-apologetic reference to the adventure and aspiration of it. It is as if they were ashamed of their true motivations and had to relegate them to the position of an afterthought. But a cold analysis of the direction of the world's economic future leaves such motivations as the only reliable source of good old-fashioned profit, once every automatable and replicable industry has, by improvements in efficiency and competitive reduction of costs, priced itself into economic insignificance. The nations and corporations that get in on the ground floor of the emerging charm economy will control the pipelines of economic value. Terraforming is art, adventure, history, travel: Invest in these and watch your money grow. ®

Frederick Turner is Founders Professor of Arts and Humanities at the University of Texas at Dallas. His most recent book is The Culture of Hope *(The Free Press); his forthcoming collection of poetry,* Modern Ecologues, *will be available soon from Story Line Press.*

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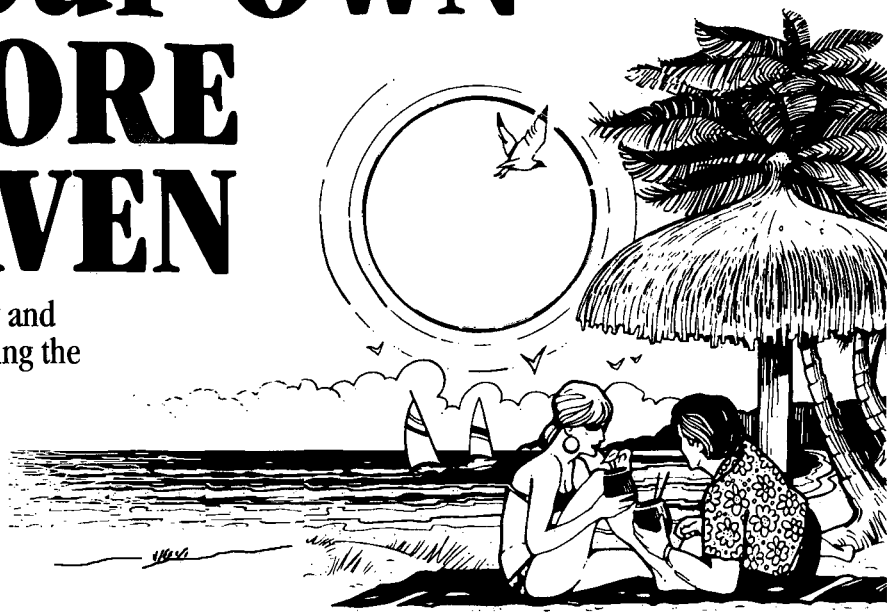

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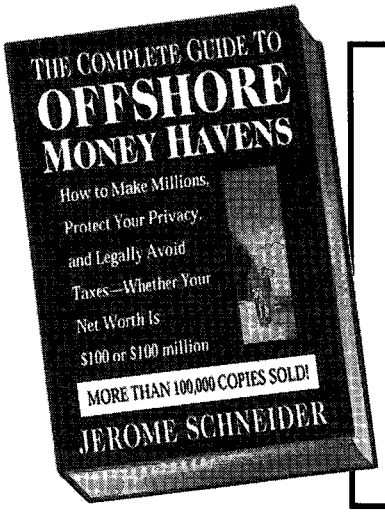
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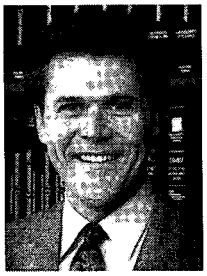

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Jerome Schneider is a foremost authority on international finance and investing. For more than 20 years, he has helped businessmen, investors and entrepreneurs make and save fortunes using the world's offshore financial centers.

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Reason

Don't Vote for Me

By John J. Pitney Jr.

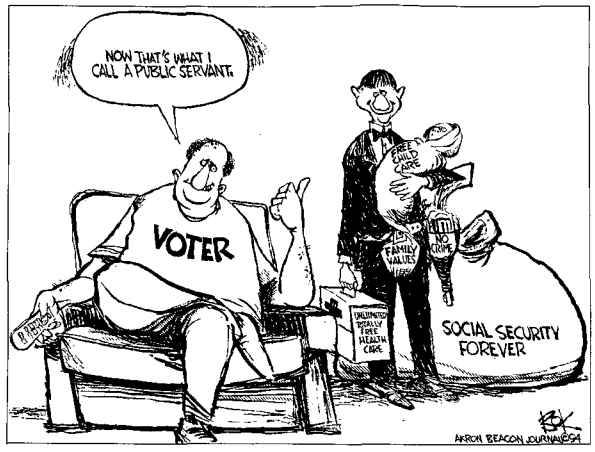
It's a sordid life.

PEOPLE SOMETIMES ASK ME IF I want to run for office someday. It's a natural question for someone who spends most of his waking hours reading about politics, writing about politics, and teaching about politics. So picture the looks of surprise when I answer that I would rather boil in a vat of Sen. Robert Byrd's hair pomade than see my name on a ballot.

It was not always so. When I was a teenager in the late 1960s, I yearned to be...Richard Nixon. To an awkward kid with a bulging bookbag, the sight of cheering crowds at Nixon rallies made a politician's life look awfully attractive: Here was one career where a nerd could get standing ovations.

Now, 28 years after pinning on my first Nixon button, I'm still a Republican, a political junkie, and a nerd. But having spent much of that time in the company of politicians, I'm now convinced that I don't want to be one. Sure, it might be fun to debate on the Senate floor or go on the Brinkley show and kid Sam Donaldson about his toupee. The catch, I've learned, is that these activities account for only a tiny part of a politician's time. The rest of it stinks.

Life may be a banquet, but political life is fast food. The size of modern government means that politicians have to cope with frenzied daily schedules. They are constantly rushing from meeting to hearing to markup to floor debate and back to meeting again, seldom spending enough time on a single activity to learn anything from it. Amid the rush, they find it hard to squeeze in the little things, such as reading, study, and thought. It's no wonder that when a television interviewer asked



Rep. (now Sen.) Ron Wyden (D-Ore.) to find Bosnia on a globe, he couldn't do it. Busy lawmakers don't have time for picky details.

One such detail is the actual text of legislation. In Washington, D.C., and many state capitals, the best you can say is that some of the lawmakers read some of the bills some of the time. The rest rely on staff-written summaries and word-of-mouth descriptions from colleagues and lobbyists. They often don't know what they're doing, and then they can't remember why they did it. Accordingly, one of the literary genres of the political world is the "vote justification," a memo in which staffers supply legislators with rationales for votes they have already cast.

Call me naive, but I'd hate to vote on bills I'd never had a chance to read. I'd feel as dirty and irresponsible as if I'd graded a term paper without looking past the cover sheet.

I'd also hate to perpetrate the deception known as political writing. Impressed with the "personal" response to the letter you sent your senator? In all likelihood, the senator didn't read it, much less write it: A recent college graduate did the work and affixed the senator's signature with a laser printer. Enjoy the governor's perceptive op-ed article in the local paper? Same story. Maybe the governor edited a draft, but the real author was some munchkin you never heard of.

If I held office, I'd try to do as much of my own writing as possible, but as a practical matter, the staff would have to do most of it. I've spent years warning my students about the evils of plagiarism, preaching that they should never put their names on other people's work. What would I tell a former student who saw me signing an article that one of my staffers had written? On an intellectual level, one could justify it as "routine staff work" —but on a gut level, it would still feel like cheating.

ANOTHER DILEMMA WOULD ARISE OUT OF my appointment book, because I would not want to meet with the people who'd want to meet with me. People usually seek out a politician because they want something for themselves, and it's typically something they shouldn't get, such as a tax break or a pork-barrel project. But they can usually make their pleas sound plausible—even heart-wrenching. Picture telling a sad-eyed 80-year-old lady: "Ma'am, we must cut spending, so I can't support additional funding for a senior citizens' center in your home town." Saying no is hardly a delight.

Neither is saying yes, at least if you remember where the money comes from. Every time politicians support new government spending, they are telling the butcher, the baker, and the janitor: "Hand over your hard-earned cash, and we will choose what to do with it. If you fail to pay up, people with badges will take away your property or throw you in prison." Perhaps it's a character flaw, but I would dislike practicing coercion on my fellow citizens, even for the sake of some higher good.

Of course, I've been assuming that I

CHIP BOK

could win an election in the first place, which is highly doubtful. Running for office takes a lot of money; and since I'm not rich, I'd have to ask for it. Yuck. I can't stand to sell raffle tickets to my friends, much less badger rich strangers to give me thousands of dollars.

Even if I did scrounge up the necessary funds, my positions would alienate large voting blocs, and my rallies would serve as magnets for nasty protests. Take, for instance, the highly emotional issue of laboratory testing of animals. I'm for it, big time. If scientists must sacrifice a thousand pigs to develop a surgical procedure that will save a single human life, that's OK with me. Upon hearing me say such things, animal-rights wackos would shout me down with cries of "murderer!" and tie-dyed moms would lean down to their small children, and say, "He's the bad man who wants to kill Babe."

I've spent years warning my students about plagiarism. What would I tell a former student who saw me signing an article that a staffer had written? One could justify it as "routine staff work"—but on a gut level, it would still feel like cheating.

Likewise, I favor privatizing Social Security and Medicare. So when the animal-rights folks got hoarse, the greedy geezers would start yelling, and the tied-dyed moms would lean down again and say, "The bad man wants to kill Grandma, too."

Rushing, faking, begging, and making small children cry—that's not my idea of healthy living. I do not choose to run. ®

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Big Daddy

By Brian Doherty

Can the feds support child support?

CHILDREN, LIKE HARD cases, can make bad law. The child at risk is a stark, powerful image that strikes deep, even if we have no children ourselves. Government endeavors in pursuit of security and prosperity for children have a decided P.R. advantage.

One type of at-risk child is becoming more and more common in America: the child living with only one parent. Such children are, as Dan Quayle got in trouble for suggesting, more prone to a variety of troubles, from criminal activity to having kids out of wedlock themselves.

Fortunately for those leading a dramatic crusade against this growing trend, there's a villain to blame: the deadbeat dad. Fathers across the United States are abandoning their families and their financial responsibilities in ever-growing numbers, the story goes, and only the government—more and more only the *federal* government—has the power to stop them.

The government has been trying. But it just might be hitting a dead end. Its attempts to do better seem more and more a quick skid down a faster road to serfdom than even F.A. Hayek envisioned—and some of its efforts seem more inclined toward helping itself than helping children.

The federalization of child support began in 1975, with the passage of Title IV-D of the Social Security Act, which created the federal Child Support Enforcement and Paternity Establishment program. It also required every state to create and manage its own Office of Child Support, for which the federal government would reimburse 66 percent of the expenses. Before that, child support efforts were the states' business, and the problem of children with only one parent was a relatively small one. Back then, the major reason for single-parent families was the death of one parent or, less commonly, divorce.

But despite federal efforts, the problem continued to grow, and a new wrinkle was added: the child who had never lived with his father to begin with. From 1979 to 1990, the number of children living without a father rose from around 7 million to nearly 10 million, and the percentage of those whose mothers had never been married rose from 19 percent to 30 percent. The federal government in 1988 further expanded its reach over child support with the passage of the Family Support Act, which, among other things, required states to use certain mathematical formulas (of the state's own choice) in deciding child support awards, largely eliminating judicial discretion.

The official line is that $21 billion in overdue child support payments is going uncollected. Figures about unpaid child support are not terribly reliable, however, since they are mostly based on unchecked self-reporting by custodial parents. Surveys done in 1991 by a team of researchers from Arizona State University found that even court records about child support often undercount payments, with many absent dads choosing to pay directly to the mother, not through the court. (Fifty-seven percent of child support money in the ASU survey was paid this way.)

Regardless of the actual total, uncollected child support is a problem. Unfortunately, plans in the works to solve it probably won't give children without fathers the sort of help they really need. But those plans do risk unacceptable levels of government control over everyone's lives.

THE FEDS ARE NOW EXPANDING THEIR reach over child support further. Parts of this year's proposed omnibus welfare bill would enforce on all the states a Uniform Interstate Family Support Act (already adopted by some states). This act modifies the current system controlling interstate child support cases and simplifies the process by ensuring that only one child support order can exist at any time, regardless of where either custodial or noncustodial parent moves.

The bill would also require license revocation—both drivers and professional licenses—for anyone more than 90 days late with a child support payment (some states have such programs already), and create mandatory federal wage withholding and W-4 tracking. Employers would have to report every new hire to a state data bank, which would check the person against a data bank of those with outstanding child support orders; if such an order existed, the employer would have to withhold money from the person's paycheck and forward that money to a state disbursement office.

Various freshman Republicans on the House Ways and Means Committee con-

MIKE LUCKOVICH

demned those aspects of the bill as overly totalitarian—one even used the term "a Nazi program"—and tried to remove them, but they were all added back in in markups and on the floor. Despite these provisions, the idea of making dads pay is so popular that support for the bill is now almost universal. One Hill insider says he wouldn't expect more than five congressmen to publicly vote against the child support provisions if they came up for a vote by themselves. That may happen, since the current welfare package is entangled in election year politics.

A GRAND EXAMPLE OF HOW THE SIMPLE acceptance of government responsibility for solving the problems of deadbeat dads can beget a government leviathan is in a 1994 document from the state of Vermont's Office of Child Support on "Recommendations for Improving Child Support in Vermont." Vermont's OCS is kind and understanding—officials acknowledge that inability to pay child support often stems from some sort of substance abuse problem. Thus, "The Office of Child Support is working with the Office of Alcohol and Drug Abuse Programs...to develop a model protocol that will 1) identify parents who are not contributing because of substance abuse problems and, 2) allow the Office of Child Support and the Family Court to make appropriate referrals for evaluation and perhaps treatment." Other mental health issues can be taken care of the same way, as they too can hinder one's ability to pay child support.

Of course many deadbeat dads really *can't* afford to pay—the General Accounting Office in 1992 estimated possibly as many as 66 percent. So Vermont needs to provide training and job opportunities for those dads—and "Family Court judges and magistrates should, in appropriate cases, make participation in work search or educational programs a requirement that will be enforced by the courts."

And since this part of the plan requires a healthy economy in general, the state Department of Economic Development needs to be an integral part of the whole scheme. Also, the privileges the state extends, such as licenses that allow someone to work in a certain profession or drive a car, must be withdrawn from deadbeats. So the state needs a more efficient computer system to crosscheck lists of deadbeats with lists of license holders or applicants. And all employers must report all new hires immediately to a state agency so they can find out if they've just hired a deadbeat from whose paycheck they'll have to withdraw money. And since deadbeats can cross state lines, all of these ideas ought to be implemented in a coordinated way nationwide.

It all makes perfect sense—and it all essentially makes anyone in the grip of the child support system a total ward of the state. It also enmeshes anyone foolish enough to hire that person, and creates apparatuses of surveillance and control that could easily be extended to other purposes less clearly noble than mulcting cash from deadbeat dads.

But it's all for the children, right?

David Blankenhorn, author of the recent book *Fatherless America*, wonders if our current child support system really *is* good for kids. "Every year it's the same. 'We're making good progress, and we're going to make even more progress.' It's just more of the same. The average child living without her father is doing worse and worse," Blankenhorn says. "[The child support bureaucracy's] wishful thinking is shown in their constant belief that new administrative procedures will solve the problem. Get bigger computers, get employers to withhold wages, track them down across state lines, some administrative way to sharpen our police procedures will do it. But that hasn't worked."

"The only way to get money," he concludes, "is to have men who believe they want to be fathers. No child support program will work when the demographic trends [of more and more fatherless children] are going in the opposite direction."

Blankenhorn argues at length in his book that merely squeezing cash out of fathers isn't good enough. Fathers are

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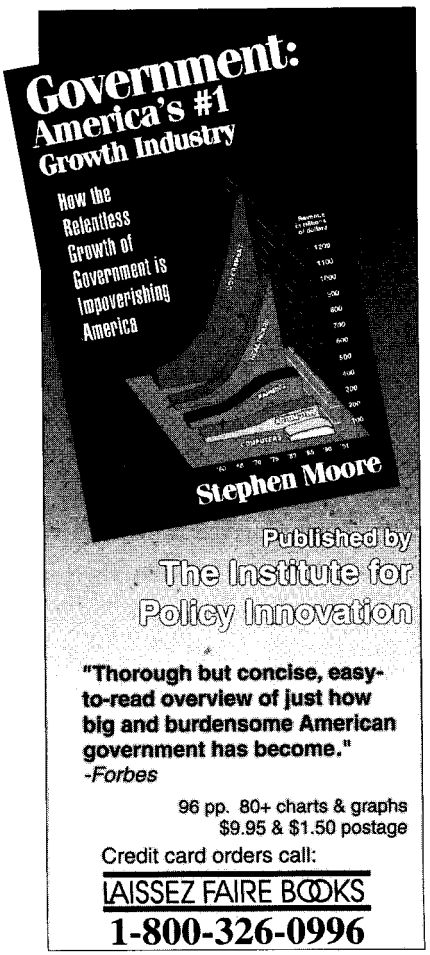

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more important than just cash; growing up without a father's presence is worse than growing up without a father's bucks. The pathologies of fatherless children are caused by lack of a father's care, guidance, and image, not just his money. The only solution, a "sober" and "pessimistic" Blankenhorn says, is to reemphasize "the moral responsibility for a man to support his child, to constantly remind them they are doing something shameful and unmanly" if they don't.

OF COURSE, THOSE WHO ARE PROFITING from a crisis might not be too interested in ending it. And as the feds embroil themselves more and more in child support, they've set up financial incentives that allow many state governments to profit from child support money intended for welfare babies.

When child support orders go to parents on Aid to Families with Dependent Children, the money is paid to the state child support office. Only $50 of it is passed on to the mothers—the rest is supposed to help offset the costs to the government of AFDC. This system undermines on-the-record participation by many absent dads, and makes official data on the number of fathers ignoring their families even more suspect.

As interviews with a cross-section of Washington, D.C., welfare mothers for the American Public Welfare Association showed, many mothers find it makes no sense to try to force the father to participate officially in the program. If the father is even slightly cooperative, it's better to cut an under-the-table deal with him that would net mother and child more than $50. "You're just wasting your time in court, filling out the papers, for nothing," one mother griped. "Is it better to get the $50 or for him to provide the clothing?" asked another, who opted for unofficial aid from her child's dad.

With the federal government paying 66 percent of collection costs, plus incentives that amount to 6 percent to 10 percent of all the money the state dragoons from absent dads, many states manage to turn child support collection into a cash cow, generating millions that they can use for any other government function they want. Overall, 1995 figures show state governments made $431 million in profit off of running their state offices of child support. Taxpayers are still overall losers, though; the feds spent $1.3 billion on the program in the same year.

As with many huge, overarching social disasters, no one really knows for sure how big the deadbeat dad problem is, or if the $1.3 billion the federal government spent is really helping. Laurie Casey, a senior policy analyst with the Children's Rights Council, a national advocacy group that pushes joint custody, estimates that as much as 90 percent of the child support currently paid through these programs would be paid even absent all the government muscle. While the specific figure is hard to calculate, House staffers and child support lawyers I talked to said the same: For most fathers with any means to pay, a simple court order (if even that) would suffice to get fair child support payments, and the bureaucracy might be benefiting no one but the bureaucrats. Since the states get paid incentives based on how much they collect, "It gives an incentive for the state to just go after the easy ones, the people who would have paid anyway," says Casey. "It's a disincentive to go after the hard cases."

Government can almost never admit that some problems are intractable in a free society. As long as people continue to have children out of wedlock we will continue to have men who father children but do not feel like, or are made not to feel like, fathers.

The image of the callous dad who just doesn't give a damn is the main impetus behind the move for a stronger and harsher government role in the child support process. Certainly, such dads exist. But many fathers feel mistreated themselves by the child support process, particularly its presumption that in most cases the children should stay with the mother. One father embroiled in child support litigation in Michigan says, "I've presented the court with good evidence that my wife has lied, but six months later the kids are still with her. She's made false charges, but I might have to pay her legal fees."

He also has a lament shared by many fathers, as well as some economists, that many states' child support guidelines dictate payments that are unnecessarily large, representing far more than just the marginal cost of the child to the mother's household, and in fact are more like alimony than pure child support.

Despite all the money the federal government is spending and the state governments are making, the child support bureaucracy still isn't running efficiently even on its own terms. A recent GAO report goes on for dozens of pages about the child support bureaucracies' administrative problems, and the insistence that a larger, more intrusive bureaucracy is needed indicates that they aren't bringing the problem under control. Government can almost never admit that some problems are simply intractable in a free society. As long as people continue to choose to have children out of wedlock—the result of social and moral changes the government is powerless to halt, except on the margins through changes in welfare policy—we will continue to have men who father children but do not feel like, or are made not to feel like, fathers.

So long as they don't feel responsible, tinkering with changes in government programs won't make them so. "I could imagine a society in which [current crackdown efforts] would work," says Blankenhorn. "But it would need to be an authoritarian state." ®

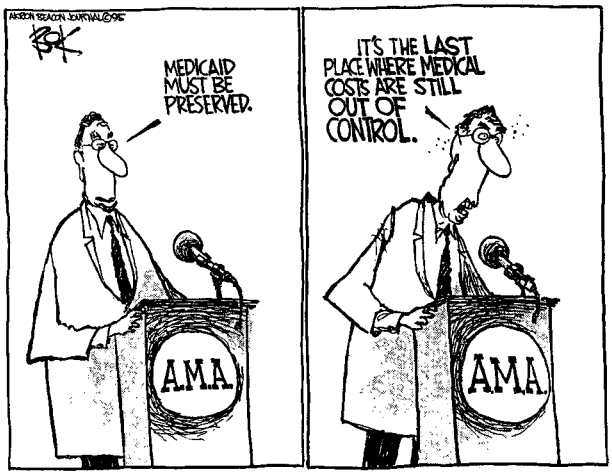
Brian Doherty (BMDoherty@aol.com) is assistant editor of REASON.

Cost-Conscious Care

By David Jacobsen

In praise of HMOs

"TORTURE BY HMO" IS the title of a March 18 column by Bob Herbert in *The New York Times*. Herbert tells the story of a North Carolina family with a baby suffering from leukemia. Their health maintenance organization insisted that the child undergo treatment in another state, at great cost and inconvenience. Herbert condemns the HMO's "inflexible and thoroughly inhumane" policies, adding that "humanitarian concerns are not what corporate care is about. In the competition with profits, patients must always lose."



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This portrait of HMOs as soulless money-making machines has become increasingly popular in recent years, as skyrocketing health care costs have driven a shift from fee-for-service medicine to managed care. Critics such as Harvard Medical School professor David Himmelstein contend that HMOs reward doctors for providing less care, trapping them in a conflict between their incomes and their patients' welfare, and impose "gag clauses" that forbid them to discuss this conflict with patients. "The bottom line is superseding the Hippocratic oath," write Jeff Cohen and Norman Solomon in their syndicated column. "Cost-cutting edicts from HMO managements put doctors in a box....Faced with directives to help maximize profits, many physicians are under constant pressure to shift their allegiance from patients to company stockholders."

From my perspective as both a physician and a patient in the same HMO, these charges do not ring true. I do not doubt that HMOs, like any other business, sometimes serve their customers poorly. But there is no reason to believe that managed care systematically undermines patient welfare because of the imperative to cut costs. To the contrary, I have found that efficiency is perfectly compatible with compassionate, effective health care. (Since this article was written, I have myself become a cancer patient. Thus far, my care has been unsurpassed. I have the option of being treated outside my HMO, but would not think of going anywhere else. I expect from my plan the same level of care as a patient that I have provided as a physician.)

My plan delivers care at several neighborhood health centers. Each member chooses a "home" center and a primary care physician at that center. Surgical, pediatric, obstetrical, and mental health services, as well as radiology, laboratory, pharmacy, and physical therapy, are all provided under one roof. While our "staff model" HMO does not offer as extensive a choice of physicians as many "network" HMOs, our arrangement does offer economies of scale and strict control of physician quality. Surveys consistently show that patients rate quality of care above greater choice of providers.

I am paid a straight salary and modest bonuses tied to both the plan's profitability and a patient satisfaction index. Frequent advisory audits help me and my patients sort out health care they *need* from health care they *want*. My goal is healthy, satisfied patients and a financially sound business. Every day, I put my professional reputation on the line. So does my HMO. Our challenge is to cut costs without cutting quality. Fortunately, there are many ways to do this.

CHANGING THE VENUE OF MEDIcal care from hospital to outpatient center, office, or home is the most important factor driving health care costs down and quality up. Hospitals are very expensive pieces of architecture. They are also complex places and therefore potentially hazardous to your health. Despite rigorous safeguards, medication and treatment errors can and do occur. As many as 15 percent of hospitalized patients go home with a hospital-acquired infection, often caused by antibiotic-resistant organisms. Furthermore, most patients do not wish to be in a hospital. In the last three years, my HMO has reduced hospital use by 25 percent.

Inguinal hernia repair is one of the most frequently performed operations. Just a few years ago, the cost of this operation included a preoperative night in the hospital, one to two hours in the operating room under general anesthesia, and up to five postoperative days in the hospital. The patient had to take four to six weeks off work, and the recurrence rate was 10 percent. In 1996, at my HMO, this operation requires 40 minutes of surgery in a free-standing, outpatient surgical center under local anesthesia using a $100 plastic-mesh plug. Patients have less discomfort, return to unrestricted work in one week, and enjoy a recurrence rate of less than 1 per 1,000. This approach to hernia repair has been technically feasible for several years but was usually *employed*

sporadically, at the discretion of the surgeon or the patient. In the era of cost containment, it has rapidly become the standard in the profession, regardless of reimbursement mode.

Thanks to the innovation of laparoscopic surgery, 80 percent of my patients who need their gallbladder removed can undergo the operation as outpatients and return to work in a week. The original inspiration for this procedure was the development of miniature video cameras, and the early reports were dismissed as mere technical wizardry. But as it became clear that laparoscopic gallbladder removal was not only safe but much less expensive than conventional surgery, surgeons quickly adopted the procedure as the standard approach, and patients demanded it.

THE CHALLENGE OF PROVIDING BETTER care at lower cost has spurred not only the development of new procedures but the resurrection of old ones. Pilonidal abscess, a chronic and painful anorectal condition, used to be treated with radical surgery in the hospital. Recovery was frequently prolonged and painful. I now treat this problem with a 20-minute office procedure. Patients can return to work in two days, and the recurrence rate is less than 2 percent. This procedure was first described 15 years ago but languished until managed care created the incentive to implement it on a wider scale.

Open-heart surgery is expensive. Traditionally, the payer is billed separately by the hospital, the surgeon, and the anesthesiologist. My HMO recently negotiated a contract in which we pay a flat fee per operation that is about half our previous cost. As for concerns that surgeons might offer less surgery for less money, our studies show no change in mortality or morbidity since this contract went into effect. Beyond the question of ethics, no reputable provider group would risk a lucrative contract with a large HMO by delivering less than first-class care. Based on this experience, we are exploring package pricing for other high-cost procedures, such as organ transplantations.

Childhood asthma is a distressing and sometimes frightening problem for parents and children. Our studies showed that repeated visits to the emergency room were not only unnerving for families but accounted for a substantial portion of the cost of treating asthma. Through an aggressive program of family education, we are teaching our patients how to handle most asthma attacks at home, even how to give adrenaline injections. A nurse practitioner is available by telephone 24 hours a day to advise families whether a visit to the hospital may be necessary. Emergency room visits are down 40 percent in the last two years. So far, we have noted no adverse effects on patient care, and the response from families has been almost entirely positive.

Open-heart surgery is expensive. My HMO pays a flat fee per operation that is about half our previous cost. As for concerns that surgeons might offer less surgery for less money, our studies show no change in mortality or morbidity.

Treatment of minor lacerations used to involve a trip to the hospital emergency room and frequently entailed a long wait. On nights and weekends our health centers are now staffed with specially trained physician assistants who repair 90 percent of all minor lacerations. In the first year this program has saved more than $100,000 in hospital emergency room charges while taking care of our patients better and more quickly.

For many of our patients with chronic wounds, such as bedsores and diabetic ulcers, treatment has often involved lengthy stays in rehabilitation hospitals or prolonged, expensive home visits by nurses. Under our wound-care program, most patients with chronic wounds can be treated directly at our health centers under the supervision of a physician. In most cases, patients and their families can be trained to do the daily wound care at home. In the first year, *this* program saved more than $70,000 in outside utilization costs.

Patients needing hip replacement surgery are often elderly and suffering from other medical problems. We now begin physical therapy evaluation in the patient's home *prior* to surgery. By knowing the level of family support and the location of stairs and bathrooms, we can much better prepare the patient for recuperation and rehabilitation. The new approach has cut the average hospital stay in half, eliminated the need for intermediate rehab hospital care in many cases, and accelerated recuperation.

For the past three years, my HMO has followed a policy of early discharge after childbirth. The childbirth program includes comprehensive prenatal education, post-partum home visits, and individual screening. A 16-year-old first-time mother with no family support and no telephone at home is not sent home in 24 hours. But 70 percent of women with uncomplicated vaginal deliveries are discharged in 24 to 36 hours. And despite the recent brouhaha over "drive-thru" deliveries, a recent survey documents that 90 percent of our patients are satisfied with their care—the same percentage as before the early discharge policy was adopted. There is no evidence that the health of mother or infant has been compromised. Most mothers and their babies belong at home with an attentive family, rather than in a potentially dangerous hospital.

Unnecessary diagnostic tests are probably the most familiar example of American medicine's spendthrift ways. Our computers are now set up so that every time a physician orders a laboratory test or X-ray procedure, a window on the screen displays the cost. Before managed care we neither knew nor asked. Preliminary analysis shows that this minor innovation has significantly reduced the ordering of routine laboratory and X-ray tests, especially among medical residents (physicians in training).

MUCH CRITICISM OF HMO CARE FOCUSES not on common procedures such as these but on rare, emotionally charged illnesses. The cover story in the January 22 issue of *Time*, for example, chronicles the experience of a woman with advanced breast cancer whose HMO refused to pay for bone marrow transplantation. In such desperate cases, everyone understandably feels that something ought to be done. But the truth is that bone marrow transplantation for advanced breast cancer is a dangerous and expensive treatment of *no* proven benefit. This kind of case must be handled on an individual basis with consummate compassion and understanding, but it should not divert our attention from the myriad ways in which good medical care can be delivered for less money.

The significance of the potential conflict between physician income and patient welfare has also been exaggerated. First of all, it is offensive to me and the overwhelming majority of my colleagues to suggest that we would pad our bank accounts by obstructing or denying *necessary* medical care to our patients. I hew to an ethical standard of care, and so does my HMO. I am first and foremost the advocate of my patients, but always within the constraints of appropriate care and limited resources. More care is not always better care, and wishing that medicine could be exempt from the laws of economics does not make it so.

While there are various arrangements by which physicians are compensated under managed care, the incentives are to provide neither too little care nor too much care but *optimal* care. Under managed care, the worst course I could follow is to provide less than optimal care. Delay in diagnosis or treatment would only invite more expensive diagnosis and treatment down the line (and probably a lawsuit as well). Denying needed care is not only bad ethics; it is bad business.

As for the highly publicized "gag clauses," which have been outlawed in Massachusetts and a number of other states, my HMO does not have one. HMOs are entitled to insist on the confidentiality of proprietary information, but my HMO and most others encourage physicians to discuss financial incentives, covered benefits, and care options with patients. Many physicians are understandably dispirited by what they view as the demise of traditional health care and by projections of a 150,000-physician glut by the year 2000. But grievances and frustrations should be discussed with management and peers. Discussing them with patients can only erode an already embattled doctor-patient relationship.

I am first and foremost the advocate of my patients, but always within the constraints of appropriate care and limited resources. More care is not always better care, and wishing that medicine could be exempt from the laws of economics does not make it so.

DESPITE THE CHARGES OF CONFLICT AND carnage, the evidence suggests that most physicians and patients are adjusting remarkably well to the managed care revolution and that the quality of care remains high. Studies have consistently shown that HMO patients are at least as satisfied with their care as patients receiving traditional fee-for-service care. A recent survey by CareData Reports, a New York health care information firm, revealed that, among members of 33 HMOs nationwide, nearly 80 percent were satisfied with their care. (The lowest ratings were not for quality of care but for administration and communication.) A 1994 study of 25,000 employees conducted by Xerox showed that HMO patients were significantly more satisfied with their overall care than were fee-for-service patients. In a 1994 Federal Employee Health Benefits Program survey of 90,000 federal employees, 86 percent of HMO members said they were satisfied with their plans, compared with 82 percent in fee-for-service plans. Interestingly, a 1994 survey by Towers Perrin revealed that patient satisfaction with HMO care rose with years of membership.

The results of research using objective measures have been similar. A 1996 study by KPMG Peat Marwick found that, in cities where most health care was provided by HMOs, costs were 11 percent lower, hospital stays 6 percent shorter, and death rates 5 percent lower than in cities where most care was provided under fee-for-service arrangements. A study recently published in the *Journal of the American Medical Association* looked at costs and outcomes of treatment for several chronic illnesses. Compared with fee-for-service specialists, HMO primary care physicians used 40 percent fewer hospital days and 12 percent less drugs. At four- and seven-year follow-ups, patient outcomes were the same.

A 1995 North Carolina study looked at the cost and outcome of treatment for lower-back pain. Costs for a single episode ranged from $169 in an HMO to $545 at a fee-for-service chiropractor, while outcomes were identical. As David Nash, an HMO expert at Jefferson Medical College in Philadelphia, told the *Chicago Sun-Times* last year, "Overwhelmingly, the published evidence supports the notion that quality of care in the managed care arena equals, if not surpasses, the care in the private, fee-for-service sector."

The shift to managed care unquestionably imposes greater responsibility on patients. More information is becoming available to enable them to compare costs and benefits and make intelligent choices. We ought to disabuse ourselves of the notion that we can have a perfect health care system in which no one is ever misdiagnosed, mismanaged, or missed altogether. But high-quality medical care at an affordable price is not only possible under managed care; it is a reality. ®

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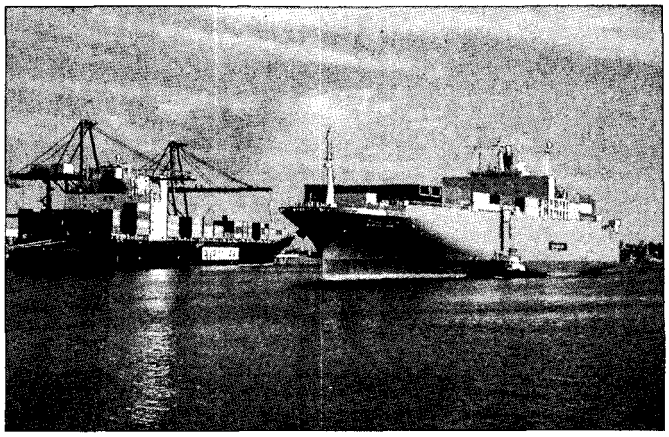
Future Enemies

By Joel Mokyr

Protectionism kills new ideas, hurting future generations.



Cutting off the flow of foreign goods and people will mean cutting off the influx of new ideas. This goes beyond protectionism; it is insularism inspired by ethnic arrogance.

PROTECTIONISM IS A BIT like bloodletting. For centuries many intelligent and learned people passionately believed bloodletting was a panacea, and they fought for it on the political and intellectual battlefields. Yet they were hopelessly wrong. Unfortunately, whereas the practice of bloodletting has joined the flat earth, alchemy, and phlogiston physics in the dustbin of the history of science, protectionism somehow manages to raise its ugly head time and again in America. While the leaders of both major political parties have by and large embraced free trade, some fringe candidates have resurrected protectionism and are riding a wave of bigotry and parochialism, masquerading as "America First." Like taxes and death, we cannot shake it, and maybe we never will. But it is worth trying.

The intellectual case for protectionism is about as alive as a doornail. To be sure, a few clever economists have constructed some pathological scenarios in which a tariff could be beneficial. For the protectionists to take solace from this literature would be akin to flat earthers finding vindication in the fact that the Earth is slightly flattened at the poles or phlebotomists gloating about a few rare diseases in which removal of blood can be beneficial. But economics, unlike physics or medicine, cannot experiment and has no laboratories. The burden of proof is always heavier, and those who refuse to believe in the obvious can find a sympathetic audience, especially since protectionism has been able to draw support from the seemingly inexhaustible reservoirs of xenophobia and prejudice that bubble beneath the surface of American society. Moreover, there are always groups that stand to gain from protection. These groups naturally ignore the intellectual bankruptcy of protectionism and dig up various crackpot theories that seemingly show how tariffs can benefit a nation.

The most persuasive case against protectionism is not the standard one that undergraduate students are taught in their introductions to international economics, which goes like this: Tariffs distort the allocation of resources and impose a "deadweight burden." The few gain at the expense of the many, but their gains are smaller than the losses. Society throws away valuable resources by artificially inducing its producers to supply goods that can more efficiently be imported.

The standard argument is certainly correct, but somehow it has failed to persuade many people since it was first enunciated by Adam Smith and David Ricardo. Presumably political speeches that urge people to "support your local efficient allocation of resources" are not exactly sound-bite material. Sometimes arguments are correct but do not work politically. In this regard, physicians have done a better job in persuading us that bloodletting is a useless medical practice than economists have in defending free trade. Part of the problem may be the rhetoric of economics. An equally important obstacle is the powerful interests who stand to gain from protectionism's distortions at everyone else's expense.

A MORE DYNAMIC ARGUMENT can be constructed. It, too, may be more of an intellectual exercise than a good campaign slogan, but because we can explain it without relying on "little triangles" in supply and demand diagrams, it may be more appealing. The argument is this: Protectionism and insularism impede innovation, depriving our children of the comfort and security that progress and economic growth bring. Free trade and international competition not only lead to a better allocation of resources; they ensure that countries do not lull themselves into the technological lethargy that is the archenemy of economic growth.

The omnipresent danger to continued technological advance is that innovation —not unlike free trade—has many enemies who would like nothing better than to impose legal and political restrictions on it, from licensing laws to featherbedding. Technological change is creative destruction. It almost always involves losers. These losers cannot be expected to stand idly by and watch others superannuate them.

Medieval guilds were by and large successful in codifying explicitly all stages of manufacturing, thus making new ideas almost impossible to introduce. Beginning in the 1920s, British labor unions tried the same thing. The technological status quo embodies huge investment in physical and

WORLDPORT LA

human capital. It is hardly surprising that its owners promote slogans like, "If it ain't broke, don't fix it." Technological success breeds its own failure by using politics to protect itself from the next wave of innovation. For that reason technological success in any society is usually short-lived, a regularity that I have called "Cardwell's Law."

In an open economy, where producers constantly have to compete with foreigners working under different institutions, it is far more difficult to erect such barriers. An industry that cannot or refuses to innovate will be wiped out by imports. Since producers expect this, the incentives to stay near the cutting edge of technology are far stronger. Imports mean that consumers will still be able to get new products, unless the vested interests can persuade the government to surround the country with a wall of tariffs to protect an increasingly obsolete industry.

An example is the late–19th-century British shoe industry. The economic historian Roy Church has shown how these manufacturers were reluctant to buy the fancy shoemaking machines developed in the United States yet were eventually forced to do so because of the flow of cheap machine-made shoes from America. Britain remained loyal to free trade, and time and again the forces of technological reaction in Victorian Britain were defeated by the powerful forces of foreign competition.

In other words, protection not only compels consumers to pay more than they should for the products they buy; it deprives future consumers of the main benefit of competitive capitalism: continued product and process innovation. Free trade guarantees the unhindered flow of information and knowledge.

THIS POINT FLIES IN THE FACE OF THE "infant industry" argument, which says protection is necessary for young and inexperienced firms to reach maturity and learn to use new technology. That argument, first dreamed up by Alexander Hamilton and tirelessly reproduced by protectionists ever since, is rarely supported by any evidence, and the many assumptions on which it rests are never tested. As Jagdish Bhagwati, the dean of international trade theory, noted in his 1988 book *Protection*, it is usually simply *assumed* that because firms produce, they "learn" and eventually become more efficient. But unless there is pressure from imports, internal competition may be insufficiently intense to spur the effort to develop and learn new techniques.

Protection not only compels consumers to pay more than they should for the products they buy; it deprives future consumers of the main benefit of competitive capitalism: continued product and process innovation. Free trade guarantees the unhindered flow of information and knowledge.

Superficially, the historical experience of the United States seems at odds with the argument that protectionism hinders economic progress. After all, the United States emerged from the Civil War as protectionist as ever. In the 19th century the Republican Party was the party of protection, and free trade, traditionally favored by the South, bit the dust in 1863. Yet the years after the Civil War were a period of accelerated technological progress.

Such superficial correlations should not mislead us, however. It often happened that patients who were bled recovered, convincing both doctor and patient that the bloodletting had been beneficial. In 19th-century America, commerce between states and regions dwarfed foreign trade. Interregional competition did for the United States then what international trade does today. The U.S. Constitution is the greatest free trade document in history, assuring free trade between the states. Had the states been allowed to set up internal tariffs, protectionism might well have destroyed economic growth in America.

Furthermore, America was hardly insular: While it was protectionist as far as goods were concerned, it let people in relatively unhindered until 1922. Anyone who wanted to introduce new technology into America could immigrate here and innovate all he wanted. Samuel Slater, Andrew Carnegie, Leo Baekeland, Nicola Tesla, Vladimir Zworykin—the number of foreign-born inventors and innovators who helped build America's technological leadership is striking.

Today's neo-populists wish to shut off the flow of immigrants while simultaneously curtailing imports of goods and services. This will mean cutting off the influx of new ideas. Their logic is that if it is worth inventing, American ingenuity will create it. This goes beyond protectionism; it is insularism inspired by ethnic arrogance. For many centuries, proud empires such as China and the Ottomans assumed they had nothing to learn from barbarians, with devastating effects on their long-term economic development. By 1900 these insularist empires had fallen hopelessly behind the comparatively open economies of the West. In the 20th century, Albania and North Korea fared no better.

There is no real danger that America will become as insularist as that. But the aggressive protectionism advocated by some candidates resonates with a worrisome number of voters. Trade measures would be met by retaliation, and full-scale trade wars with Japan and the European Union, thus far mercifully avoided, might erupt. The economic damage to future generations would be enormous.

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Mail Fraud

By Nick Gillespie

The U.S. Postal Service defies truth in advertising.

THOUGH A THOROUGHGOING LEFTIST, the late radical journalist I. F. Stone sometimes got it right. "Every government is run by liars," he wrote famously, "and nothing they say should be believed." Although Stone didn't have the United States Postal Service in mind, his maxim nonetheless applies to the propaganda arm of our government-sponsored mail service.

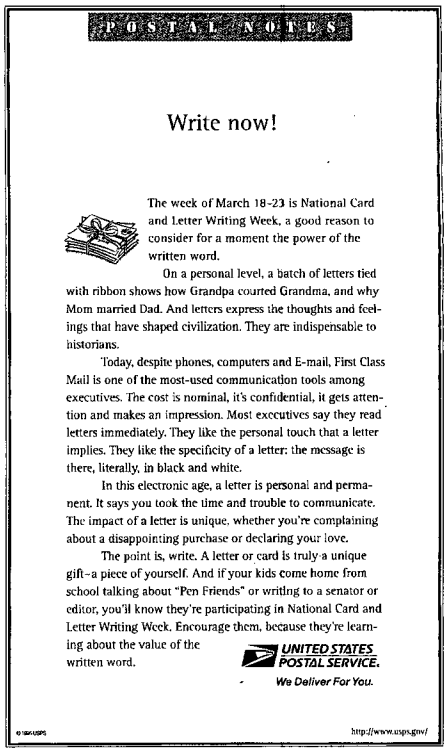
If you have read newspapers and magazines such as *The New York Times*, *The Wall Street Journal*, and *Atlantic Monthly* over the past year or so, you have probably run across one or more installments in the Postal Service's "Postal Notes" advertising campaign. The text-based ads trumpet little-known or curious tidbits about the Postal Service and its operations. One ad, for instance, details how the Postal Service uses mules to deliver mail to the bottom of the Grand Canyon, bush pilots to deliver mail north of the Arctic Circle, and mailboats to deliver mail along the bayous of Louisiana—all for the price of a 32 cent stamp. So far, the ads have cost $12 million, says Postal Service spokesman Frank Brennan, who puts the Postal Service's total annual advertising budget at $100 million.

The ads are testament to the notion that even when the government has its facts right, it is largely incapable of telling the whole truth. The centerpiece of the campaign announces, "If it surprises you that the U.S. Postal Service is not funded by tax dollars, join the crowd" and goes on to note, "The U.S. Postal Service is totally self-supporting. All of our operations are funded from the sale of stamps and postage, none of them (zero, zilch, nada) from taxes."

This is technically correct—since a 1982 reorganization, the Postal Service gets no large annual subsidies from the government other than payment for congressionally franked mail, delivering absentee ballots overseas, and services for the blind. But such statements are "grossly misleading," says J. Gregory Sidak, a fellow in law and economics at the American Enterprise Institute and co-author of *Protecting Competition from the Postal Monopoly*. "The Postal Service gets all sorts of privileges and exemptions not available to private-sector companies."

The government-mandated advantages range from the ridiculous (the right to cut across lawns when delivering the mail, immunity from parking tickets) to the substantial. Chief among the latter is a guaranteed monopoly on the delivery of all non-urgent, first-class mail. (Since the early 20th century, the Postal Service has also enjoyed monopoly control over the use of mailboxes.) When the Postal Service turns a profit—as it did in 1995 for only the eighth time in the past 24 years—it does not have to pay corporate taxes or issue dividends. It can borrow directly from the U.S. Treasury (current total: about $7.3 billion), and issue debt to third parties backed by the full faith and credit of the government.

The Postal Service is authorized to request up to $460 million from Congress for providing "public service"—something it has not done for 14 years. (The Postal Service's Brennan claims that, despite persistent operating deficits, the Postal Service doesn't need the money.) Due to its government affiliation, the Postal Service goes to the front of the line of creditors when trying to get money from estates and bankruptcies. And the Postal Service has its own police force that can seize and search packages sent through competing services if it believes a customer is sending mail in violation of the Postal Service's monopoly. (The Postal Service largely stopped doing this in the spring of 1994, after collecting over $500,000 in fines and a heavy dose of bad press.)


POSTAL NOTES

Write now!

The week of March 18-23 is National Card and Letter Writing Week, a good reason to consider for a moment the power of the written word.

On a personal level, a batch of letters tied with ribbon shows how Grandpa courted Grandma, and why Mom married Dad. And letters express the thoughts and feelings that have shaped civilization. They are indispensable to historians.

Today, despite phones, computers and E-mail, First Class Mail is one of the most-used communication tools among executives. The cost is nominal, it's confidential, it gets attention and makes an impression. Most executives say they read letters immediately. They like the personal touch that a letter implies. They like the specificity of a letter: the message is there, literally, in black and white.

In this electronic age, a letter is personal and permanent. It says you took the time and trouble to communicate. The impact of a letter is unique, whether you're complaining about a disappointing purchase or declaring your love.

The point is, write. A letter or card is truly a unique gift—a piece of yourself. And if your kids come home from school talking about "Pen Friends" or writing to a senator or editor, you'll know they're participating in National Card and Letter Writing Week. Encourage them, because they're learning about the value of the written word.

UNITED STATES POSTAL SERVICE.
We Deliver For You.

http://www.usps.gov/

The Postal Service's $12 million ad campaign combines a desperate tone with half truths.

The Postal Service is also exempt from full compliance with Occupational Safety and Health Administration regulations. Essentially, the Postal Service cannot be fined by OSHA for unsafe or debilitating working conditions—no small loophole for an organization whose roughly 750,000 employees do a lot of physically demanding, stressful, and repetitive tasks. According to the trade journal *Occupational Hazards*, the Postal Service accounted for 29 percent of all federal agency workers' compensation claims in fiscal 1994. In the same year, it paid out over $521 million in workers' comp, death benefits, and medical expenses.

UNITED STATES POSTAL SERVICE

Over the past decade, OSHA has discovered the Postal Service to be a hot bed of "cumulative trauma disorder"—conditions such as carpal tunnel syndrome. Since 1994, OSHA has cited major postal facilities in Denver, Corpus Christi, Albuquerque, Tampa, and Portland, Oregon, "with alleged willful, serious or repeat violations...relating to the ergonomics of mail processing equipment," says *Occupational Hazards*. The magazine also quotes agency sources who claim that if OSHA could "penalize" the Postal Service, the fines would have run into the millions of dollars.

GRANT THE POSTAL SERVICE THIS MUCH: It may benefit greatly from its particular relationship to the government, but none of its advantages is funded through taxes per se. Still, the idea that the Postal Service is "totally self-supporting" is so much malarkey, says William E. Kovacic, a law professor at George Mason University and author of *The Postal Service as Competitor*.

"It's nice to have an exclusive franchise on first-class mail," observes Kovacic. While he can't put a dollar value on the monopoly, Kovacic says, "We can assume with a great deal of confidence that if competition were allowed, a great deal of their business would disappear." And while the Postal Service doesn't have a legal monopoly on second- and third-class mail, it does control a lion's share of those markets. According to the Magazine Publishers of America's Jim Cregan, for instance, the Postal Service delivers virtually all magazines not sold on newsstands.

Then there's the Postal Service's penchant for year-end deficits—the net loss in fiscal 1994, the service boasts in a financial fact sheet, was $914 million, "a dramatic improvement from earlier forecasts that had ranged as high as a $2.4 billion loss." Asks AEI's Sidak, "How many private companies could do that without being forced into bankruptcy, facing a hostile takeover, or being sued by bond or stockholders?" The answer: zero, zilch, nada.

The Postal Service's willingness to color the truth extends beyond its advertising strategy. As a government-granted monopoly, the Postal Service's rates are regulated by the Postal Rate Commission. When it wants to raise the price of a given service—say a first-class stamp, which jumped from 29 cents to 32 cents in 1995—the Postal Service must justify the increase by showing that increased costs for that service necessitate the boost. But there are any number of "unallocated costs" in running the Postal Service, costs that can't be simply assigned to providing a particular service.

Both Sidak and Kovacic—along with a number of other observers to whom I spoke—agree that, since the Postal Service has a monopoly over first-class mail, where consumers aren't particularly price sensitive, it claims that most unallocated costs are associated with first-class letter delivery. That way, the Postal Service can hike the price of letters and use the extra revenue to subsidize the price of services in competitive areas such as overnight and express delivery. The first-class monopoly, then, is the cash cow that the Postal Service milks in its battles with the likes of Federal Express and United Parcel Service. (The Postal Service's Brennan hotly denies the charge.) And, of course, private companies without legally protected monopolies can't just raise their prices when costs climb.

Kovacic doesn't fault the Postal Service for its failings. He believes that unrealistic mandates about universal daily service and cockeyed congressional oversight undermine efficiency. An associate director of government business operations at the General Accounting Office has reached the same conclusion. In testimony before the House subcommittee on the Postal Service earlier this year, Michael E. Motley noted that the Postal Service has lost big in areas, such as the express mail market, where it once held a near monopoly. The Postal Service, Mot-

How To Get Out Of The Banking System!

(Special) As you already know - if you use a bank you have no financial privacy! Basically, the government knows all your busi–ness!!

But remember this. If it's not traceable, it's not auditable. If it's not auditable, it's not taxable. And, if it's not taxable, **it's yours to keep!**

The only way this can happen is...*if you get out of the banking system!* That means no more depositing and writing checks from your bank account! You must get out of the system to protect your privacy and assets. **And you can easily do it — Please read on.**

When you walk into a bank and open up an account — you have just awarded the I.R.S. full jurisdiction over all your financial transactions. They can audit you, tax you, summons you, and drag you into Federal Court just on a whim.

In fact, every check you write is photographed, microfilmed, and retained by the Federal Reserve System! And the courts, without your permission, can examine your checking account anytime they want..

Don't allow them to do this!

But you're saying, "I need to write and deposit checks, I run a small business, I need to pay my bills and cash my paycheck!"

Don't worry!!! There's a clever way around the system. A way to cash and write checks without "big brother" looking over your shoulder!

Granted, at first, it may not be as convenient as your checking account, but once you get the hang of it — *it's as easy as pie.*

Remember, if you make your financial transactions invisible - the I.R.S. has no place to go snooping and prying. They can't confiscate your assets, your property, or anything.

Plus, by using this clever get out of the banking system method, you can save tons of money on banking fees! But, most importantly, if "they" don't know about your money - they can't tax it or take it!

Getting out of the banking system is easy, IF YOU KNOW HOW! And you can find out "dirt cheap."

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ley testified, "continues to experience problems in competing because of limited flexibility in changing rates and other factors such as less reliable service and not providing certain 'value added' services that are provided by competitors. Even in the international mail area, where the Postal Service has greater flexibility in pricing, its rate of revenue growth is well below that of its competitors."

DESPITE THE CHIPPER TONE OF ITS ADS, the Postal Service is facing a hostile world. That's not just due to the Postal Service's uneven delivery performance, legendarily bad customer relations, or reputation for breeding trigger-happy employees—though those don't help, either.

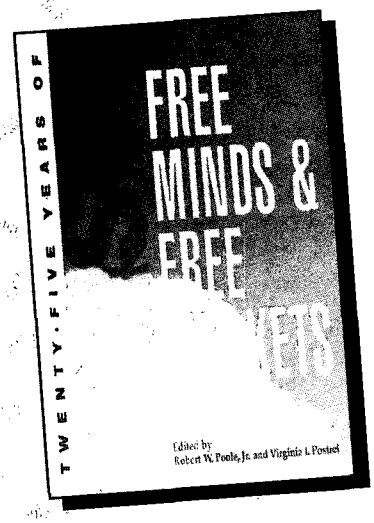
"Not too far in the future," says Kovacic, "the Postal Service will have its business basis—first-class mail—eaten out from under it. Five years from now, every bill we pay will be paid electronically. The mail is being blown away by alternatives that are not governed by the regulatory structure." The Postal Service's Brennan agrees that electronic media, especially faxes and e-mail, are reshaping the world of mail.

Indeed, a high level of anxiety about the future of first-class mail pervades the "Postal Notes" campaign. One installment celebrating something called "National Card and Letter Writing Week" stops just short of declaring letter writing a patriotic duty. "Letters," reads the ad, "express the thoughts and feelings that have shaped civilization. They are indispensable to historians....In this electronic age, a letter is personal and permanent....The point is, write....Encourage [your kids], because they're learning about the value of the written word." Forget the silliness of the claims (don't faxes and e-mail value the written word as much as a posted letter?) and focus on the tone: These are not the sentiments of a secure organization.

Although crafted to tug at the heartstrings—the ad notes that "a batch of letters tied with ribbon shows how Grandpa courted Grandma, and why Mom married Dad"—such pleas are more and more likely to fall on deaf ears. While first-class customers are discovering alternative methods, analysts are looking at successful postal-service privatizations in England, Canada, Australia, New Zealand, and Sweden.

Although hard-and-fast legislative reform plans have yet to take shape, Kovacic says, "There is a much healthier debate about institutional options than at any one time since World War II." More optimistically, he adds, "Even if Congress doesn't lift a finger, the situation will be changed due to e-mail, fax technology, and new options that have yet to be invented." That's a trend that no amount of clever advertising can reverse. ®

Nick Gillespie (ngilles123@aol.com) is a senior editor of REASON.



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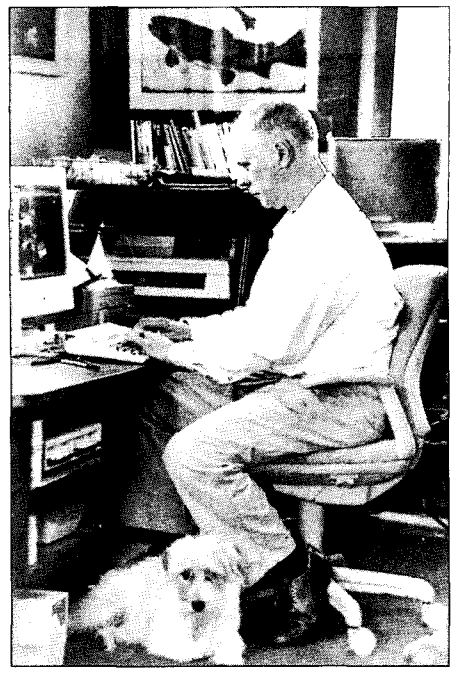
Spotted Howls

By Robert H. Nelson

In a Dark Wood: The Fight Over Forests and the Rising Tyranny of Ecology, by Alston Chase, Boston: Houghton Mifflin, 535 pages, $29.95



Alston Chase: For him the devil is the idea of the ecosystem and biocentrism, which is corrupting environmentalists.

TEN YEARS AGO, IN HIS BOOK *Playing God in Yellowstone*, Alston Chase took on two supposed shining lights in American life: the National Park Service and the environmental movement. Chase showed how the Park Service, captured by an environmental religion that fetishized its vision of nature, was passively allowing exploding elk populations to destroy important parts of Yellowstone National Park. The same misplaced religious zeal threatened the future of the park's grizzly bear population as well.

In a Dark Wood has Chase returning to these themes in a new setting: the spotted owl controversy in the Pacific Northwest. Here again, in an excess of religious enthusiasm, the environmental movement is wreaking havoc. Tens of thousands of jobs and hundreds of mills representing significant portions of the Pacific Northwest timber industry have been wiped out, and the federal government has lost $20 billion in future timber revenues—money that will have to be recovered from taxpayer pockets. Equally important for Chase, the ultimate outcome is likely to be bad for the environment as well.

As in Yellowstone, Chase finds a false understanding of nature at the heart of the problem. Environmentalists are driven to recover the Garden of Eden—the forest conditions of the Pacific Northwest before Columbus. The spotted owl crusade, as Chase follows its course, becomes a spiritual quest having little to do with forests and owls and much to do with finding personal salvation. Chase portrays environmental leaders caught up in their search for religious inspiration, with little interest in an accurate scientific understanding of old-growth forests or in practical steps to better protect them.

Thus, environmentalists willfully avert their eyes from the fact that forest fires swept across the Pacific Northwest with great regularity until their suppression in the 20th century. Indeed, Native Americans frequently used fire as a management tool, recognizing that a wide variety of habitat conditions yielded larger and more diverse game populations. Amazingly enough, Chase suggests that, even with the massive timber harvesting since World War II, there may still be more old-growth forest standing in the Pacific Northwest today than in pre-European times.

ANOTHER CASE OF WILLFUL IGNORANCE on the part of environmentalists affected the controversy. The northern spotted owl probably never should have been listed as a threatened species in the first place. Virtually nothing was known about the owl until the 1970s. By the mid-1980s, as environmental groups were deciding that the owl would be the chosen instrument for shutting down federal timber harvesting in the region, there were only a handful of academic studies on the owl. The federal courts then prematurely forced the Interior Department to list the spotted owl under the Endangered Species Act, just as the scientific data were starting to accumulate. When this research finally became available after the owl listing in 1990, estimates of owl numbers soared—from 3,000 to 12,000 and heading still higher. Contrary to the assumption behind the listing, it increasingly appears that spotted owls do well in young forest stands and may even require them.

To be sure, the owl was never the real object. Environmentalists from the beginning sought preservation of the full forest ecology—the "ancient cathedrals," as they conceived these areas. Once again, though, actual science proved uncooperative. "Ecological management" depends on the idea that a forest or other natural system moves through a succession of transitional stages to reach a final equilibrium or "climax" stage. Europeans had supposedly disrupted this happy equilibrium, but the methods of ecosystem management would now restore it. Theologically speaking, an original condition of harmony with nature had once existed, but fallen human beings had betrayed this true state of nature, leaving environmentalists today with the mission to recover the original condition. If this doesn't sound familiar, I suggest you consult your nearest Bible.

The ecological vision of succession and climax, offering a (thin) scientific veneer for the environmental gospel, did in fact have wide scientific acceptance until the 1970s. By the 1990s, however, any ideas of an inherent tendency toward stability in nature had been replaced by an evolutionary biology of chaos and unpredictability. As environmental historian Donald Worster commented in 1993, "The climax notion is dead, the ecosystem has receded in usefulness....Nature

should be regarded as a landscape of patches, big and little, changing continually through time and space, responding to an unceasing barrage of perturbations."

FOR ENVIRONMENTALISTS, HOWEVER, coming to terms with this new understanding would have been the equivalent of conceding the Garden of Eden had never existed. Not surprisingly, the environmental movement has treated the science about the same way the Catholic Church reacted centuries ago to the discoveries of Copernicus and Galileo. Indeed, Al Gore, Bruce Babbitt, and other environmental crusaders of the Clinton administration have enshrined ecological management as the official philosophy of the federal government, even as most scientists now say it has no valid foundation.

In a Dark Wood reads like a good novel. Chase sketches the personalities of key participants in the spotted owl drama, often pausing to give a short life history. The book is filled with interesting details and has a strong plot. Indeed, Chase is not immune from some of the same tendencies he criticizes in environmentalists. The spotted owl story is gradually revealed as yet another fierce struggle between good and evil. For Chase, the devil is the idea of the ecosystem and biocentrism, which is corrupting environmentalists—who are basically good people—and leading them into the destructive excesses of contemporary religious warfare.

But there are other ways to interpret the events in the Pacific Northwest. Timber companies with large private lands have thrived, even as competitors dependent on federal land have been eliminated. The spotted owl has proven a remarkably effective anti-competitive device. On the environmental side, there is a constant need to raise large sums of money to pay for fancy buildings and professional staff. Organizational imperatives therefore demand a continuing stream of polarizing conflicts with national publicity to stimulate the faithful's contributions. This is not religion; it is just good business practice.

Nor should one be surprised to find that the environmental gospel may serve other purposes besides inspiring devotion. Indeed, this faith has provided a religious sanction for the takeover of the federal forests of the Pacific Northwest by the new urban and professional groups moving into the region in such large numbers. The conflict became all the more bloody because of the very fact of public ownership of these lands. Politics, not market trading, would have to be the determining factor in deciding the future uses of the lands.

And in the political fray the new recreational groups were not unique in their willingness to fight with whatever tools they could grab. If bad science and clothing themselves in the garb of religious righteousness were what it would take to get control over federal forests, so be it. The spotted owl struggle, in short, was a product not only of a misconceived theology but also of a flawed institutional framework of public land ownership, one which tended to foment conflict and to bring out the worst in those involved.

The environmental crusade is the heir to the "Calvinist certainty in the righteousness of its cause," Chase says: It derives from a Puritanism deeply rooted in American life. The Calvinist world of depraved humanity is now rediscovered as an environmental vision of human beings as the cancer of the earth.

In *Playing God in Yellowstone*, Chase portrayed the religious origins of environmentalism as largely deriving from pagan, Asian, Native American, and other non-Christian sources. He now has a revised and more convincing explanation for why so many Americans are drawn to environmental religion.

The environmental crusade is the heir to the "Calvinist certainty in the righteousness of its cause," Chase says: It derives from a Puritanism deeply rooted in American life. The Calvinist world of depraved humanity is now rediscovered as an environmental vision of human beings as the cancer of the earth, sinners raping the land and environment, who will pave the way for their own destruction.

CHRISTIANITY HAS ALWAYS HAD A STRONG strain skeptical of wealth, business success, the drive for consumption, and the affairs of the world. In America, as Chase traces, these attitudes were first found in Puritan Massachusetts, were transmitted in the 19th century to New England transcendentalism, later reached John Muir in California, and then made their way in a secular language into the contemporary environmental movement. Indeed, events as central to American history as the War of Independence and the Civil War were in part products of the revolutionary Puritan will to cleanse the world of evil. In short, as the latest manifestation of this deeply ingrained Puritan heritage, environmentalism is as American as motherhood and apple pie. That is why it so obviously resonates powerfully with millions of Americans. In Europe as well, the environmental movement is strong in Germany, Holland, Sweden, and other countries with Protestant heritages. It does poorly in the Latin world.

To be sure, the Puritan heritage in American life has its up and down sides. The up side includes a strong moral vision, as in the battle against slavery. In asserting their own religious and other freedoms against oppressive governments, the Puritan faithful have often been fierce defenders of liberty and individual rights. However, the down side also appeared early on, when the Puritan majority hanged several Quakers on the Boston square who dared to challenge what there had become Puritan religious orthodoxy. If Puritanism has been the source of some of the highest ideals of American life, it

has also been a source of fanaticism and repression.

In a Dark Wood provides yet another reminder that America's strong Puritan impulse does not mix well with government power. When the Puritan righteous among us get their hands on the levers of the state, the property and liberty of the rest of us are likely soon to be at risk. The forest owners, timber workers, and mill owners in the Pacific Northwest unfortunately had to learn about this the hard way. ®

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Den of Sleaze

By Jeff A. Taylor

Blood Sport: The President and His Adversaries, by James B. Stewart, New York: Simon & Schuster, 479 pages, $25.00

THERE ARE AT LEAST TWO GOOD reasons why the definitive treatment of Whitewater is probably several years away. For one, the subject virtually demands multimedia. Several gigabytes of charts, diagrams, video clips, and hypertext links could bring the multithreaded mess together.

The other reason is legal. The passage of time means expiring statutes of limitations for all manner of skullduggery. The truth tends to bubble up when indictments are impossible.

Until that day, James Stewart's well-built examination will have to do. For the most part it does quite well. Only a staff apologist for the Clintons could come away from Stewart's portrayal without feeling a little ashamed of having their ilk in the White House. The new information Stewart adds to the Whitewater canon will not jump out at most readers. Instead what Stewart has described as the Clintons' "pattern of deceit" will.

This is striking enough, given the genesis of the book. Stewart relates that in March 1994 he was approached by Clinton confidante Susan Thomases. Thomases, a New York lawyer and unofficial Clinton adviser, was acquainted with the Pulitzer Prize–winning author via friends.

In 1987, Stewart's *Den of Thieves* followed the ins and outs of the junk bond trade. Bashing that aspect of the 1980s put him on the same team as the Clintons. Thomases must have surmised Stewart would put the Clintons' own '80s adventures in the "proper" perspective. Thomases promised access, and Stewart in fact received a session with Hillary Clinton. But such cooperation soon melted away. By then Stewart was hooked on the Whitewater saga.

James B. Stewart: Only a staff apologist for the Clintons could come away from his portrayal without feeling ashamed of having their ilk in the White House.

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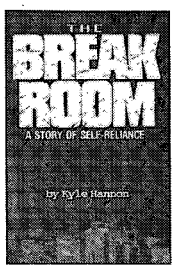

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Clintons' Arkansas roots. For Democrats, that just means the way things are done in a small state; the governor simply knows everyone, so every deal is "inside." For Republicans, Whitewater is a money grab by a crooked draft dodger.

In Washington, reaction to *Blood Sport* has been colored by those two extremes. Clinton supporters point out the lack of a "smoking gun" while Clinton bashers label *Blood Sport* a whitewash. The irony is both extremes tend to discount the new information Stewart has turned up.

FOR EXAMPLE, *BLOOD SPORT* TAKES THE time to paint the first well-rounded picture of the late Vincent Foster, whose suicide is the one undeniably tragic aspect to this story. The White House lawyer was sober-minded, even a little square, Stewart asserts. Foster was intelligent enough to fall into practicing law without a lot of effort. He relished legal research and seems to have enjoyed it more than dealing with clients. Rounding up clients simply wasn't his forte.

"Foster did not golf. It was a game for which he had little natural aptitude, and rather than risk something at which he didn't excel, he preferred not to play at all," Stewart writes. A lawyer who eschews golf is an outsider at most firms. Hillary, along with Foster, was an outsider at the Rose Law Firm in Little Rock during the 1980s. A Yankee woman who was wired politically, she was one of a kind. That she and Foster would become close friends is not a surprise.

Stewart concedes it is impossible to prove that Foster and Hillary never had an affair, as has been widely rumored. But he clearly thinks it is implausible. "Foster never joked about women, flirted, or repeated even mildly off-color stories," he writes. Thus Stewart concludes Foster could not abide the scrutiny and gossip an intraoffice affair would bring. That Hillary was a public figure makes it even less likely, he believes.

Foster's retiring nature also makes the idea that he functioned as a super-secret agent—as some of the wilder Whitewater conspiracy theories posit—far-fetched. Stewart finds no evidence Foster ever went to Switzerland, the starting point for theories that wind through Pentagon slush funds, the National Security Agency, and Mossad hit teams. Peddlers of such theories will no doubt take this as proof Stewart is really working for the Clintons.

Stewart does conclude Foster was a profoundly unhappy man in the middle of 1993, unhappy enough to take his own life. That does not mean his death was investigated in textbook fashion or that the White House did not immediately clam up. But the conspiracy buffs might want to return to pamphleteering on the Trilateral Commission or writing scripts for *The X-Files* until they can generate more light than heat on the topic.

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By talking to real people, Stewart does turn up a meeting between Foster and Thomases at a supposed "safe house" a short time before his death. There Foster unburdened himself of concerns about his job, his marriage, and life in general, according to Stewart. Foster had good reason to be troubled by White House handling of the travel office. Contacts between White House flunkies and the FBI and IRS were improper at best. A special counsel seemed to be in the cards. Thomases is supposed to have been troubled by the meeting and relayed her concerns to Foster's boss, White House counsel Bernard Nussbaum.

This account is at odds with what Thomases has told Congress. Foster's July 1993 death came as a shock, she said, which has been the official White House line. Investigators will no doubt probe Thomases's recollections further on the matter.

THE FINANCIAL ELEMENTS OF WHITEwater are less murky, but still not clear. Conceived as a way to turn scrub forest with river frontage into gold, the development never panned out. *Blood Sport* shows the Clintons' "passive investor" mantra, begun in 1992, to be a fiction.

Bill Clinton wasn't passive—he was negligent. His attention was plainly not on Whitewater, which adds up to a sort of defense, one could suppose. But Hillary was anything but passive. In 1985, Hillary resisted overtures from the Clintons' partners, Jim and Susan McDougal, to sell the Clintons' Whitewater stake. At one point Stewart says Hillary was defiantly refusing to sell because the sour deal was supposed to pay for Chelsea's college.

Jim McDougal further complicated the picture by buying a savings and loan. McDougal's Madison Guaranty, federally insured deposits and all, soon become tied to Whitewater. McDougal also hired the Rose Firm and put Hillary on a $2,000-a-month retainer. Here Stewart follows the well-trod path of federal investigations on the topic.

Following the break-up of the McDougals' marriage, and Jim McDougal's illness in 1986, Hillary stepped up to manage the messy partnership. From talking to the McDougals and bank officers, Stewart portrays Hillary resisting every effort to obtain financial information for a series of loans on Whitewater.

In 1987, a loan from 1st Ozark National Bank was particularly troubling. The bank was about to be sold and wanted a complete set of files for examiners. Some officers wanted the loan called. But Stewart notes the bank also wanted Gov. Clinton to sign a branch banking bill which would help it expand.

Stewart turns up notes which appear to link the Clintons' outstanding loan to the banking bill, but at least one bank official denies ever discussing such a thing with Hillary. As it turns out, the loan was extended and the bill became law.

Other documents Stewart obtained show the Clintons, with Hillary presumably calling the shots, to be very generous in how they valued their assets on these loan applications. That could be counted as loan fraud by a zealous prosecutor.

How the Clintons handled their loans throughout the 1980s and right up to the 1992 campaign also has important tax implications. Some of the Clintons' payments were deductible and some of the payments made on behalf of the Clintons could be construed as loan forgiveness. That is income which must be reported. These details help Stewart implicitly connect Foster's anguish over Whitewater to his handling of the Clintons' tax returns.

AT THE OUTSET, STEWART CONFESSES A lack of political reporting experience. That lack of experience shows in his acceptance of the conventional wisdom on Bill Clinton's decision not to run for president in 1988. Stewart notes Gov. Clinton had gone so far as to rent out a hotel to make the announcement before backing down. *Blood Sport* also details Gov. Clinton's relationships with the women of Little Rock during this period. From this Stewart concludes that the decision not to run was motivated by a fear of "bimbo eruptions," as campaign aide Betsey Wright described them for posterity.

This view is the same as that found in *First in His Class*, the Clinton biography by David Maraniss. Maraniss's account was based on an explosive anecdote, relayed and later recanted by Wright, that she went over a list of women with Gov. Clinton and urged him not to run. Relying on any one person's account of anything in Arkansas, especially so skilled an operator as Wright, is fraught with peril.

This explanation simply ignores the political firestorm the S&L issue had become. Early in 1987, the General Accounting Office declared the S&L insur-

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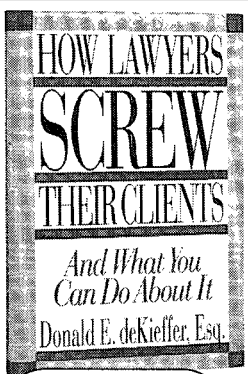

Next to politicians and IRS auditors, attorneys are the most vilified professionals in the U.S. -- so much so that the term "honest lawyer" has become an oxymoron. **HOW LAWYERS SCREW THEIR CLIENTS: And What You Can Do About It** *by Donald E. deKieffer* explains why. The problem lies not in the absence of morals, but in something called "gross billable hours," the yardstick by which lawyers get paid. Breaking ranks to reveal his profession's darkest secret, deKieffer contends that billable hours motivate lawyers to be as inefficient as possible. Since they are paid for the number of hours clocked on a case, they are actually penalized for quick settlements and competent service, giving rise to a form of consumer fraud. DeKieffer not only catalogues the abuses of the legal system, he also suggests ways in which the problem can be solved. This exposé is a client's manifesto and a wake-up call to the profession. 203pp. HC

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ance fund bankrupt. Multimillion-dollar bailouts had become routine, as had congressional special pleading on behalf of well-connected S&L owners. Both political parties played the game. And notable Democrats like Jim Wright and Tony Coelho had to explain away connections to high-flying S&L "kingpins."

In short, it was not a good time for a governor with close ties to a wobbly S&L and outstanding loans to a handful of others to jump onto the national stage. Bad loans had to figure as large as bimbos in Clinton's political calculus. Clearly, the Whitewater affair would have to be buried a little deeper before the Clintons could make their move.

Stewart does recover to recount that burial process. McDougal's 1990 acquittal on charges arising from Madison's collapse was the first spade. Stewart notes just how fortunate McDougal was: "Of the 247 S&L defendants indicted that year, Jim McDougal and (his in-laws) were the only ones who were acquitted."

Clinton's reelection in 1990 further insulated him. By the time 1991 rolled around, George Bush was stuck with the S&L tar baby. Bush-led Republicans would not be eager to bring up failed thrifts. The coast was as clear as it was going to get.

THE LAST THIRD OF *BLOOD SPORT* IS GIVEN over to what Stewart calls "Shrouding the Truth." During the 1992 campaign and throughout Clinton's presidency, a Whitewater damage-control operation has been in place. From the outset Foster, Thomases, and Rose Firm alum Webb Hubbell were involved in managing documents and the flow of information on Hillary's work for Rose and Madison.

Stewart is also fascinated here by the White House reaction to Troopergate in late 1993. Stories on Bill's late-night romps through Little Rock, from his former state patrol body guards, shattered that holiday season. The frenzy of activity by the president and Wright which resulted in a partial recantation by one of the troopers has never been explained. Stewart notes its oddity, but sheds no new light on it.

He seems genuinely bewildered by the White House's behavior. This is also a strike against the Clintons, who have held that only right-wing crackpots could find anything strange about the administration's handling of these events.

Stewart relies on the recollections of former White House counsel Nussbaum for much of the play-by-play during this period. It makes sense to go to Nussbaum, a man obviously tossed over the side by the Clintons, to find someone willing to talk. But Nussbaum gets away with distancing himself too much from White House eagerness to gather information on the Resolution Trust Company investigation into Madison.

Testimony before the Senate Whitewater Committee in February shows the Whitewater Response Team, of which Nussbaum was a member, to have been very active. In January 1994, the team formed around newly arrived Deputy Chief of Staff Harold Ickes. Ickes had no trouble ordering Nussbaum's assistants to research various issues of import. Of vital importance the first few weeks of 1994 was the RTC investigation. Ickes set White House lawyers to studying the statute of limitations question. Ickes also discussed the RTC's investigation with the president.

The White House has always maintained it was RTC chief Roger Altman who came to them to "brief" them on the statute of limitations. But now it appears the response team was much more proactive. Perhaps not in the league of Nixon's plumbers, but not spectators either. The facts are still being spun, and Nussbaum may not come out the gruff hero Stewart makes him out to be.

The one mystery *Blood Sport* cannot clear up is, Why did Thomases ever approach Stewart with the idea of doing a Whitewater book? Is it possible that as late as March 1994 Thomases too was in the dark as to the extent of the Arkansas paper trail? Is a critical book released in early 1996 supposed to inoculate the Clintons for the November campaign? Did she seriously misjudge Stewart's willingness to look for the truth?

Even if *Blood Sport* was supposed to be part of the cover-up, it delivers more than enough facts to confront Clinton supporters with unpleasant truths. From that start, the whole truth may finally emerge. ®

Jeff A. Taylor (jefataylor@aol.com) covers Whitewater for Investor's Business Daily.

City Limits

By Peter Coclanis

The Lost City: Discovering the Forgotten Virtues of Community in the Chicago of the 1950s, by Alan Ehrenhalt, New York: Basic Books, 310 pages, $24.00

I WAS BORN IN CHICAGO, AS THE SONG made famous by Paul Butterfield goes, and grew up around Clybourn and Ashland, near the Tavern Pail Brewery. My neighborhood best could be described as industrial-residential, with brick two-flats, workingmen's rooming houses, and tar-shingled frames sharing space with the tanneries along the river, the Medill incinerator, big factories like Stewart-Warner and Appleton Electric, and innumerable small machine shops and tool-and-dies. Chicago's last public bath house—many houses and apartments in the neighborhood lacked tubs or showers—was located on my street, Marshfield, named after Marshall Field I, who developed the area. There were three Catholic churches—St. Josephat, St. Bonaventure, and St. Alphonsus—within a few blocks of my grandparents' two-flat (we lived in the second-floor apartment),

Alan Ehrenhalt's portrait of Chicago in the 1950s is a means to shed light on what he considers our present predicament.

and each ran a good-sized elementary school.

As a kid in the 1950s and 1960s, I loved this neighborhood. It was a close-knit ethnic enclave populated by lots of what Michael Novak calls PIGS—Poles, Italians, Greeks, and Slavs—and a smattering of southern whites, Mexicans, and Puerto Ricans. The only blacks lived several blocks away at the Julia Lathrop Homes, Chicago's oldest public-housing project. Mine was a union neighborhood—my father was a member of Local 753 of the International Brotherhood of Teamsters—which in the 1950s and 1960s meant rising wages. The area was safe and, allowing for the usual industrial toxins and carcinogens, pretty clean.

I did well in school and, unlike most of the kids in the neighborhood, went to college and, afterward, even to graduate school. Sometime in the mid-1970s, a graduate-school friend—an Ohio bank president's son who had gone to Harvard as an undergraduate—spent a few days with me and my parents while he was in Chicago on a research trip. The main thing, really the only thing, I recall about his visit was how surprised—astonished even—he was by the street life in my neighborhood: He just couldn't get over the front-stoop sitting, small-lawn watering, handshaking, bearhugging behavior of all the Stanislaus, the Attilios, the Christos, and the Boschkos on Marshfield, each of whom we had to stop and talk to every time we made our way up or down the block. To my upper-bourgeois friend, this was a world he had never experienced or perhaps even known about, not one that he had lost.

THE JOURNALIST ALAN EHRENHALT DOES know about this world, however, and he renders it well in his provocative new book *The Lost City: Discovering the Forgotten Virtues of Community in the Chicago of the 1950s*. In so doing, he issues perhaps the strongest statement yet in behalf of the communitarian/civil society critique of what he calls the "hyperindividualism" said to be characteristic of life in America today. Indeed, it would not be unfair to say that social criticism is Ehrenhalt's main point all along. From this perspective, his portrait of Chicago in the 1950s, however careful and loving, is merely a means to an end, an attempt, as it were, to shed light on what he considers our present predicament.

Over the past 35 years, argues Ehrenhalt, hyperindividualism has caused social breakdown in the United States. Specifically, he argues, "The worship of choice has brought us a world of restless dissatisfaction, in which nothing we choose seems good enough to be permanent and we are unable to resist the endless pursuit of new selections—in work, in marriage, in front of the television set. The suspicion of authority has meant the erosion of standards of conduct and civility, visible most clearly in schools where teachers who dare to discipline pupils risk a profane response. The repudiation of sin has given us a collection of wrongdoers who insist that they are not responsible for their actions because they have been dealt bad cards in life. When we declare that there are no sinners, we are a step away from deciding that there is no such thing as right and wrong."

For Ehrenhalt, the solution is a return or reactivation of a sense of moral limits, limits derived from and endorsed and upheld by vibrant neighborhood communities not unlike those that flourished (just

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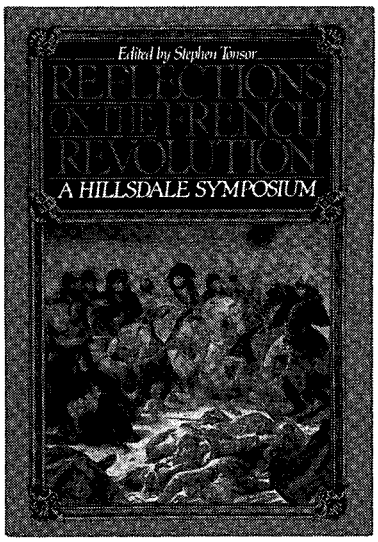

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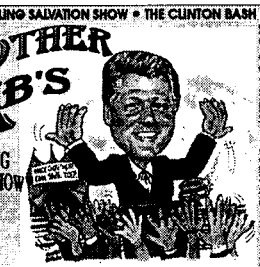

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east of Eden) in Chicago during the 1950s.

By now, of course, this sort of critique has become something of a commonplace, and licentious baby boomers wantonly pursuing unlimited choice at the expense of community, order, and authority are now objects of parody, if not obloquy in some circles. To be sure, much of the communitarian carping by the chattering classes can be dismissed summarily. Hillary Rodham Clinton's fatuous *It Takes a Village* comes immediately to mind in this regard. Communitarian arguments mounted by serious social critics such as the late Christopher Lasch, Mary Ann Glendon, Robert D. Putnam, Jean Bethke Elshtain, and Ehrenhalt cannot be treated similarly, for they raise truly important questions about the social and moral costs of freedom in the post-communist, vaguely Fukayamish 1990s. Furthermore, unlike some of the writers mentioned above, Ehrenhalt not only raises such questions, but also tries to answer them, in this case through empirical research in urban history.

In fact, the power of *The Lost City* derives in large part from a brilliant rhetorical conceit employed by the author: The book is built around detailed portraits of three distinct and distinctive Chicago-area communities in the 1950s, with brief, depressing looks at each of these communities again in the 1990s. Ehrenhalt, executive editor of *Governing* magazine, and author of *The United States of Ambition*, a well-regarded 1991 work on what might be called the American politiciate, is a gifted prose stylist, with broad sympathies and a tight story line. He also knows a thing or two about Chicago, and has chosen his target communities well.

The three areas studied reflect both the diversity of Chicago in the 1950s and the degree to which the city's diverse peoples shared certain core values, assumptions, and behaviors. To Ehrenhalt, the white, blue-collar ethnics on Chicago's southwest side, the African Americans in the teeming Bronzeville ghetto on the south side, and the middle-class whites who homesteaded in the mud-filled, tree-bare subdivisions of Elmhurst, 15 miles to the west of the Loop, differed in many ways, but not in their belief in limits, desire for order, respect for authority, and faith in community.

For the "bungalow people" of St. Nicholas of Tolentine Parish on the southwest side, for example, the 1950s was about loyalty to kith and kin and about stable factory jobs, about a plethora of local institutions and about fealty to Chicago's Democratic pols. And most of all it was about acceptance of limits and limitations in a patriarchal order seemingly ordained by God.

Ehrenhalt's solution to what he sees as a crisis of hyperindividualism is a return of a sense of moral limits derived from and endorsed and upheld by vibrant neighborhood communities not unlike those that flourished in Chicago during the 1950s.

Limits and limitations were even more apparent in Bronzeville. Indeed, there is no gainsaying the fact that most residents of this area, a city within a city really, lived economically pinched, politically squeezed, and socially and culturally constricted lives. Yet even amid the filth and squalor, Bronzeville residents, many of whom had recently migrated from the South, found reason for hope. For unlike the generally forlorn and desolate situation in the area today—several of the poorest and most socially dysfunctional census tracts in the nation are located in the area—Bronzeville was a viable community in the 1950s, replete with institutions and individuals that fostered or at least represented upward mobility.

How else, Ehrenhalt asks, can one describe a community that in the 1950s boasted institutions like the Chicago *Defender*, the Supreme Liberty Life Insurance Company, and the annual Bud Billiken parade? Or remarkable people such as political leaders William L. Dawson and Earl Dickerson, the Rev. Joseph H. Jackson, Nat King Cole, and Lorraine Hansberry? About limits, Bronzeville residents knew much in the 1950s. They were confident, nonetheless, that with faith, resolve, and community there existed more than a touch of hope or a dash of possibility.

Hope and possibility, of course, were what the new middle-class subdivisions of Elmhurst and other Chicago suburbs were built upon. In the 1950s, however, hope and possibility were ameliorist rather than utopian concepts, and the 15-mile trek to Elmhurst didn't relieve migrants of their sense of limits and restraints, much less transform them into libertines. If Ehrenhalt suggests that suburbanization of the white bourgeoisie was a necessary precondition for the moral chaos of our times, the process was insufficient just the same. Residents in the new subdivisions of Elmhurst valorized and promoted authority, order, limits, and conformity, albeit in different ways than did the people living in Bronzeville or in St. Nicholas of Tolentine. Elmhurst was a cuffed-pants, button-down town in the 1950s, not yet ready, it seems, for bell-bottom, fly-away days.

Both in Elmhurst and, even more, in the two other communities examined in *The Lost City*, life in the 1950s was about boundaries and constraints—"the limited life" is Ehrenhalt's preferred phrase—so unlike the let-it-all-hang-out era of gluttony and excess that in his view began in the 1960s. During the crowded years of the 1950s, there was still a rough consensus about cultural norms, public behaviors, and moral conventions, and most, though certainly not all, Chicagoans flourished as a result. Chicago—the "I will" city "that works"—thrived too, with safe streets, decent schools, and stable communities.

The city thrived, says Ehrenhalt, because there were clear rules and rulers in

the 1950s. However arbitrary and even unjust the rules and rulers may have been at times, they charted a more or less decent course for people to follow and, in so doing, significantly increased human happiness and reduced moral confusion and uncertainty.

Central to Ehrenhalt's main argument is the idea that we could use a lot more 1950s-style rules and maybe even rulers today. To demonstrate this point, we need only look at the human waste, the hellish schools and streets, and the "unravelled" communities in contemporary Chicago.

While well-crafted and attractive in its evocation of tight-knit neighborhoods, *The Lost City* is nonetheless unconvincing. It romanticizes the virtues of *gemeinschaft* communities while downplaying or ignoring altogether the vices of such places. It is particularly difficult to buy Ehrenhalt's key assumptions: that America in the 1990s is drowning in a sea of freedom, and that most Americans, if pressed, would both prefer and be better off with fewer choices, more clear-cut moral and social guidelines, and greater respect for authority, broadly conceived.

Indeed, it pays to be skeptical about both Ehrenhalt's assumptions regarding American values and his interpretation of history. For starters, moral responsibility is as easily eroded as instilled by power and coercion. Authoritarianism, whether exercised at the federal level or at the local-machine level (as it was practiced in Chicago during the '50s), works against community and involvement in fairly obvious ways: Individuals assume that everything is someone else's problem, that the government is taking care of it (whatever "it" might be). Top-down control also makes social organizations less flexible and open. When order is maintained by doling out favors and patronage, new developments and newcomers are inevitably seen in negative terms. Such systems, which must ultimately crush dissent and unauthorized activity or risk being undermined, find it almost impossible to regenerate themselves in new and different situations.

Ehrenhalt, though, clearly prefers stability over opportunity. This predilection causes him to simultaneously misrepresent the causes, effects, and pace of change. The single biggest factor causing change not just in Chicago but throughout postwar America was a booming economy that enriched most families. Relatively poorer people have a solidarity borne out of a lack of options; once they get richer, they buy more flexibility in where they shop, where they live, and who they associate with. Throughout the '50s and '60s, people poured out of cities not because of some newly developed hyperindividualism but because they could finally afford to.

THE NEIGHBORHOOD STABILITY EHRENhalt romanticizes in *The Lost City* is largely an artifact of the author's method: He takes snapshots frozen in time rather than following the constantly evolving lives of individuals—and communities—over time. To some—the people who lived in Elmhurst before Chicagoans began streaming in, for example—the '50s represented not community building, but unwanted upheaval and community decline. Moreover, social transformation is often less linear and certainly less predictable than Ehrenhalt insinuates. My own neighborhood in the early and mid-'70s was not so different from what it was in the '50s. It then plummeted sharply in the late '70s and early '80s, but since then has come back strongly and is now becoming increasingly gentrified.

Bronzeville's decline since the 1950s can in some ways be viewed as a by-product of the migration of many of its more successful denizens to more comfortable areas, and anyone who has competed against York High School's powerful (and amazingly well-supported) track and cross-country teams over the years would be hard pressed to find much evidence in Elmhurst for community dissolution and decline. Things change, then, but seldom in simple ways.

On a more abstract level, *The Lost City* grossly misrepresents what most of us would identify as the quintessence of the American experience. Simply put, limits do not square with our historical imagination: American individualism has always been at odds with community. Even the Pilgrims and Puritans, settlers who founded communities based on common goals and aspirations, soon saw their settlements riven apart by differences of opinion and inclination. In an age such as ours, one of relatively easy and affordable relocations, geographic proximity will less and less be the main factor in the creation and maintenance of community. Recent and ongoing developments in information technology will continue to allow us to reconfigure our associations so that they will more and more be predicated upon mutual benefit and satisfaction.

In general, that's a good thing, especially if the alternative is the type of community that existed in Chicago in the 1950s. The "lost city" had its virtues, to be sure, but life around Clybourn and Ashland had its dark side, too. In particular, I remember drunkenness, brutality, and rage made manifest in countless ways. Whether we're speaking of stinko fathers beating their sons with cat-o'-nine-tails or the same boys forcing neighborhood girls into sex, the ritualistic humiliation of people suspected of being gay or the often violent harassment of people who happened to be brown or black, the type of community that existed in my old neighborhood—and in countless other Chicago-area neighborhoods in the 1950s—is not necessarily something we should look to for inspiration, much less try to emulate.

Life in America in the 1990s is in many ways disgusting, even degenerate, but we shall have a better chance of addressing contemporary problems once we get over easy nostalgia and acknowledge three basic facts: Things today are merely different, not worse, than they were in the 1950s; each and every era is good and bad in its own way; and there is at times an exorbitant price to pay for what we call "community." R

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Risky Behavior

By Thomas W. Hazlett

Long shots are better than no shot.

THE FATHER OF MY HIGH SCHOOL girlfriend was not shy about issuing startling proclamations designed to stun the emotionally vulnerable (e.g., the teenaged me). I fondly remember one such broadside: "I must say," he told me, "that in my dating days, I never once asked a girl out who didn't say 'yes.'" Even as a callow youth, I knew the answer to his hollow boast: He simply hadn't asked out enough girls.

Years later I found that economists had formally proved this maxim: If you're living in a world of zero failure, you're an underperformer. Virtually every important action in life involves educated guesswork. Too few chances reliably translate into too few victories.

The Food and Drug Administration is an inglorious case in point. For years the FDA has confronted two types of disaster when sanctioning medicines. Type I: The FDA approves something for use that proves harmful. Type II: The FDA denies (or delays) approval of something that is beneficial. It is an ugly trade-off because good people will die either way.

Unfortunately, the FDA has treated this excruciating balancing act as a regulatory no-brainer: Test everything until there is virtually no chance that it will be harmful. (Read: Minimize Type I error, forget about Type II.) Indeed, the FDA *defines* safety as the absence of poisonous drugs.

The best academic research suggests more chances would save a large number of lives. The FDA's certainty about approved drugs has, on net, killed many hundreds of thousands because the agency, in effect, isn't asking out enough girls.

Why not? Fear of rejection. In a young boy's life, that is a profound motivator. So too in the life of a federal bureaucrat. Dr. David Kessler, George Bush's gift to the Clinton administration, presides over the FDA with an eerie extremism: We will approve no drug before its time. The politics are not subtle. Type I deaths result in headlines reading, "FDA-Approved Drug Kills Pregnant Mother, Congressional Hearings Slated." Type II deaths don't generate headlines, or even little blurbs. There are no visible victims to lay on the regulator's doorstep when potential beneficiaries are only statistical probabilities.

NOW COMES REFORM. THE CLINTON ADministration has overruled the FDA and declared that it will speed anti-cancer drugs to market by forcing pharmaceutical companies to prove merely that the drugs shrink tumors. Previously, long-term studies were required showing that anti-cancer drugs actually worked as hoped. I only wish that all of our loved ones had lived to see this day.

It is utterly remarkable how the issue has been caricatured, yielding a clue as to how such appalling public policy can metastasize, untreated, for decades. *The Washington Post* reported, "Conservatives have been sharply critical of the FDA...." How odd to paint the opponents of regulatory overkill as "conservatives," particularly since the most fossilized bureaucratic processes are walling off new treatments and possible cures. And one must be blind not to have caught the outrage of the hippie-dippy holistic medicine crowd, irate over FDA initiatives to regulate access to vitamins.

The reform adopted by the Clinton administration was one explicitly recommended by the Council on Competitiveness headed by Vice President Dan Quayle. That proposal died via guilt by association. Congressional Democrats demonized the council as a shill for Big Business. People, on net, continued to die.

Even today, the FDA's unrepentant Kessler, admonished by the Clinton policy wonks, has learned not a thing. According to the *Post*: "'Faster drug approval inevitably heightens risks,' said FDA Commissioner David A. Kessler. In 11 accelerated approvals by the agency so far, he said, 'We have not made a mistake,' but he warned that 'One day we're going to make a mistake.'"

I want to slap the good doctor and bring him to his senses. His boastfulness regarding zero rejections—merely embarrassing in other venues—is killing innocents. Is it utopian to expect our public servants to be capable of distinguishing between the fantasy of risk-free decision making, and the reality of calculated trade-offs in treating devastating illness?

Hear me now, Dr. Kessler: People with cancer are already a fair way out on the risk axis. They are wise to try the unknown.

Your fixation on Type I errors—perhaps the product of bureaucratic cover-your-ass syndrome?—may not be shared by a good and decent woman, in the golden years of her life, faced with a malignant bile-duct tumor rampaging through her liver. If she would not force her medical gamble on others, will you not grant her the dignity to simply wager what's right for her? If she understands that speedier approvals for cancer drugs will lessen risks when the risk of having cancer is factored in, can you? ®

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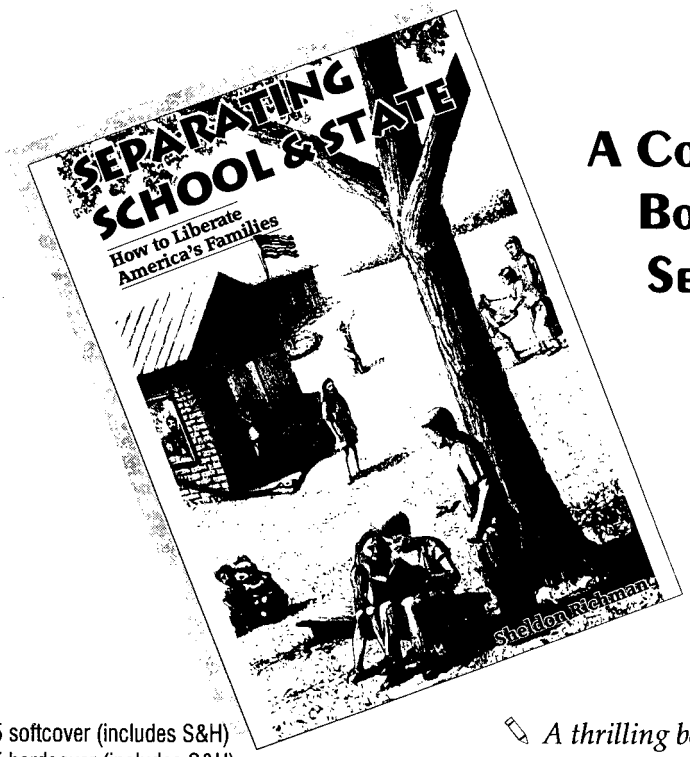

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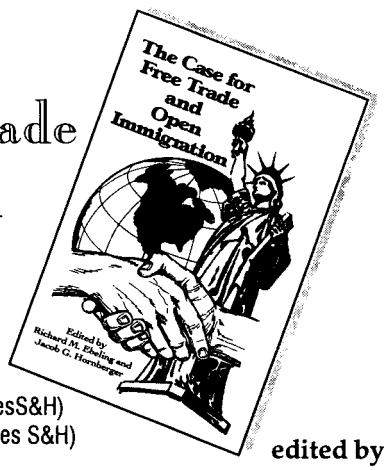

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